



June 2, 2009

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

67

JUNE 2, 2009


SACHIN A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

**ADOPTION OF NEW RETIREMENT CONTRIBUTION RATES
(3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD

Adopt revised employer contribution rates approved by the Board of Investments of the Los Angeles County Employees Retirement Association (LACERA). Employer rates to be effective July 1, 2009. Adoption will result in an aggregate employer contribution rate of 12.08% increasing annual employer retirement contributions by \$28 million.

PURPOSE OF RECOMMENDED ACTION

Set employer and employee contribution rates at a level sufficient to fund plan liabilities identified in the 2008 Actuarial Valuation Report.

JUSTIFICATION

The June 4, 2002, agreement with the Los Angeles County Employees Retirement Association (LACERA) amending the 1994 Retirement System Funding Agreement between the County and LACERA requires, among other things, that "commencing with the Interim Actuarial Valuation as of June 30, 2002, and in each annual Actuarial Valuation conducted thereafter to and including the valuation as of June 30, 2008...if there is any Unfunded Actuarial Accrued Liability (UAAL), the County shall, commencing July 1 of the immediately succeeding Fiscal Year, make annual contributions to LACERA as determined by LACERA's actuary to discharge said UAAL over a rolling thirty (30) year amortization schedule."

The County Employees Retirement Law requires the Board of Investments to obtain an actuarial valuation of the system at intervals not to exceed three (3) years, and on the basis of such valuation to recommend to the Board of Supervisors, at least forty-five (45) days prior to the beginning of the succeeding

fiscal year, such changes in employer and/or employee contribution rates as may be necessary to properly fund the system. The Board of Supervisors is required to adopt the contribution rates approved by the Board of Investments no later than ninety (90) days following the beginning of the immediately succeeding fiscal year. However, this ninety (90) day approval period for employer contribution rates has been accelerated by the June 4, 2002, amendment to the 1994 Retirement System Funding Agreement, and as such, the Board of Supervisors is required to adopt the employer contribution rates approved by the Board of Investments effective July 1, 2009. The LACERA Board of Investments approved the revised employer rates recommended in the 2008 Actuarial Valuation on December 10, 2008.

IMPLEMENTATION OF STRATEGIC GOAL PLANS

The adoption of the revised employer and employee contribution rates provided for in the recommendation are directly responsive to the Strategic Plan goal of fiscal responsibility.

FISCAL IMPACT/FINANCING

LACERA's Actuarial Valuation estimates that County contributions will increase by \$28 million for Fiscal Year 2009/2010 resulting in an annual County retirement cost estimate of \$787 million. There are no changes to the member contribution rates at this time.

FINANCING

County Obligation

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

1. LEGAL REQUIREMENT FOR PERIODIC ACTUARIAL VALUATIONS AND ADJUSTMENTS IN CONTRIBUTION RATES

Provisions contained in Article XVI, Section 17, of the California Constitution and in the County Employees Retirement Law of 1937 (California Government Code, Sections 31450 - 31899.10) govern the actuarial process at LACERA.

The California Constitution assigns "the sole and exclusive power to provide for actuarial services" to the governing body of the public retirement system. Such power is granted by the Constitution "in order to assure the competency of the assets of the public pension or retirement system."

Section 31453 of the County Employees Retirement Law requires LACERA to obtain an actuarial valuation at least once every three years and on the basis of such valuation to recommend to the Board of Supervisors, at least forty-five (45)

days prior to the beginning of the succeeding fiscal year, such changes in employer and/or member contribution rates as may be necessary to properly fund the retirement system.

Section 31454 requires the Board of Supervisors to adjust contribution rates in accordance with LACERA's recommendations not later than ninety (90) days following the beginning of the immediately succeeding fiscal year. However, this ninety (90) day approval period for employer contribution rates has been accelerated by the June 4, 2002, amendment to the 1994 Retirement System Funding Agreement, and as such, the Board of Supervisors is required to adopt the employer contribution rates approved by the Board of Investments effective July 1, of the immediately succeeding Fiscal Year.

Section 31454.1 exempts the independent assumptions and calculations of LACERA's actuary from "meet and confer" requirements while recognizing the "meet and confer" responsibility of the Board of Supervisors in implementing the recommendations contained in the actuarial valuation.

2. THE ACTUARIAL VALUATION PROCESS

Actuarial valuations are performed in order to determine the cost of a retirement program. The cost of a defined benefit retirement program, such as the one administered by LACERA, consists of two (2) components—normal cost and unfunded liability. Normal cost is the amount needed to fund the service currently being earned by retirement system members through their current employment with the County. The unfunded liability represents liabilities created by past service, which have not been funded by previously collected contributions.

The cost of a retirement program is determined by a number of economic and non-economic factors such as the rate of return on assets, the rate of future salary increases, inflation, mortality, disability, and membership terminations. The actuary must make assumptions concerning the long-range impact of these cost factors in determining the amount of assets required to fund the cost of the retirement program.

There are three sources of revenue for underwriting the cost of a retirement plan: employee contributions, employer contributions, and investment earnings. As part of the valuation process, the actuary estimates the amount of future benefit payments that will be funded through investment returns. After projecting the extent to which benefit payments will be funded through investment earnings, the actuary then calculates the amount of employer and employee contributions needed to complete the full funding of the retirement program.

3. ACTUARIAL AUDIT

In order to validate the accuracy of the valuations used to calculate contribution rates, the Board of Investments authorized an independent actuarial audit of the services performed by LACERA's consulting actuary, Milliman. The audit of the June 30, 2007, valuation report confirmed that the actuarial calculations are reasonable and based on generally accepted actuarial principles and practices. The auditing actuary found no financially significant actuarial issues to report. Actuarial audits are to be performed in the same cycle as the triennial investigation and experience study, and as such, the next actuarial audit will be performed on the June 30, 2010, triennial valuation and investigation.

4. RESULTS OF THE 2008 VALUATION

According to Milliman's 2008 valuation, the actuarial value of valuation assets amounted to \$39.7 billion and the actuarial accrued liability amounted to \$42.0 billion. As a result, LACERA's June 30, 2008 funding status was 94.5%.

The key factors in arriving at this result can be summarized as follows:

- \$990 million increase in liabilities due to normal benefit accruals;
- \$334 million net actuarial loss from non-economic plan experience differing from plan assumptions;
- \$429 million net actuarial gain due to the assets of the plan performing above the expected actuarial rate of return.

The LACERA actuary reported to the Board of Investments at their December 10, 2008, meeting that the actuarial asset smoothing method is dampening the contribution rate volatility by smoothing investment gains and losses. The strong investment returns in 2005 through 2007 improved the plan's funded status and lowered the required UAAL contribution rate. However, subsequent to the June 30, 2008 actuarial valuation date, LACERA suffered significant portfolio losses due to the financial market credit crisis and resulting economic downturn. Should the current portfolio valuation carry forward to June 30, 2009, employer costs will increase sharply in the coming years. It is possible the employer cost could double within three to five years depending on the severity and longevity of the economic downturn.

The amended Retirement System Funding Agreement requires the recognition of the STAR Program reserve as valuation assets to the extent that it is not needed for STAR Program payments during the term of the Agreement and that the amount recognized can only be used to bring the funded status of the plan up to 100%. At the completion of the June 2008 valuation, the STAR Reserve will no longer be considered as an actuarial valuation asset in this manner. Had the

STAR Reserve been excluded from the actuarial value of assets as of June 30, 2008, the funding ratio would have decreased 1.5% and the County contribution rate would have increased from the 12.08% recommended rate to 12.64%.

Plan demographics reported in the valuation indicate a 2.6% increase in the size of the active member population with an overall average age of 45.1 years. Over 96% of active participants are members of the open tiers with less than 4% of our members continuing to be covered by one of the closed plans. The retired population increased by 1.9% and now totals over 52,000. The average benefit payment increased by 4.6% to \$3,150 per month. The average age of the retired population increased by approximately two months to 71.1 years.

5. IMPACT ON EMPLOYER AND EMPLOYEE CONTRIBUTION RATES

As previously stated, LACERA is funded by both employer and employee contributions. Employee normal contributions are defined in the County Employees Retirement Law as those required to fund a specific annuity at a specified age. Employee normal contribution rates are not impacted by actuarial gains and losses, but are affected by changes made in the interest, salary, and mortality assumptions. The County Employees Retirement Law also requires employees to pay half the contributions required to fund the cost-of-living benefit. Unlike normal contributions, cost-of-living contributions are affected by changes in any of the economic and non-economic assumptions. As there have not been changes in actuarial assumptions, the actuary is not recommending changes in the member contribution rates at this time.

Liabilities not funded through the member contribution rates are the responsibility of the employer. Changes in any of the economic and non-economic assumptions impact employer contribution rates. The employer is responsible for contributing the cost of benefits expected to be accrued in the future and half of the cost-of-living benefit. These contributions are known as the normal cost contributions. The employer is also responsible for contributing the cost for funding the liabilities that have accrued in the past. This portion of the employer's contribution rate is known as the unfunded liability contribution.

Under the terms of the amended 1994 Retirement System Funding Agreement, contributions to retire the unfunded liability are required using a thirty-year rolling amortization period should the Association's funding ratio drop below 100%. Because the 2008 valuation determined the funding ratio to be 94.5%, the County is required to make unfunded liability contributions in Fiscal Year 2009/2010 in the amount of 1.99% of active payroll.

Additionally, the actuary has recommended new employer contribution rates for the normal cost. The overall normal cost contribution rate has decreased 10.16% to 10.09%. Applying the new 10.09% normal cost contribution rate and the 1.99% unfunded liability contribution rate the actuary estimates the annual contributions owed by the County will increase by approximately \$28 million per year.

It should be noted that the County Contribution Credit Reserve Account, which amounted to \$470 million as of June 30, 2008, is not affected by these changes. These funds remain available for the County to use in meeting its future pension costs.

IMPACT ON CURRENT SERVICES

None

CONCLUSION

The County's cost for the retirement plan as a percentage of pay will decrease in Fiscal Year 2009/2010; however, the actuary expects the annual employer contribution will increase approximately \$28 million due to payroll growth compared to the prior year. Subsequent to the actuarial valuation date, the retirement plan assets suffered significant losses as a result of the credit crisis and economic downturn. It is expected the employer costs will rise sharply in the coming years depending on the severity and longevity of the economic downturn.

Respectfully submitted,

A handwritten signature in black ink, appearing to be 'GR', with a long horizontal line extending to the right.

GREGG RADEMACHER
Chief Executive Officer

GR:nm
Actval08bofs.doc

Attachment: 2008 Actuarial Valuation Report

- c: Chief Executive Officer, Los Angeles County (without attachment)
- Executive Officer, Board of Supervisors (without attachment)
- Board of Investments (without attachment)
- Board of Retirement (without attachment)

**Los Angeles County Employees
Retirement Association**

**ACTUARIAL VALUATION
June 30, 2008**



By

Karen I. Steffen

Fellow, Society of Actuaries
Member, American Academy of Actuaries

and

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December 2, 2008

Board of Investments
LACERA
300 North Lake Avenue, Suite 820
Pasadena, CA 91101-4199

Dear Members of the Board:

As requested, we have made an actuarial valuation of the Los Angeles County Employees Retirement Association (LACERA) as of June 30, 2008 for determining the contribution rates effective July 1, 2009. The major findings of the valuation are contained in this report. This report reflects the benefit provisions and contribution rates in effect as of June 30, 2008, and both the Interim Funding Policy and the Retirement Benefit Enhancement Agreement.

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by LACERA's staff. This information includes, but is not limited to, statutory provisions, employee data, and financial information. In our examination of these data, we have found them to be reasonably consistent and comparable with data used for other purposes. Since the valuation results are dependent on the integrity of the data supplied, the results can be expected to differ if the underlying data is incomplete or missing. It should be noted that if any data or other information is inaccurate or incomplete, our calculations may need to be revised.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Actuarial Standards of Practice promulgated by the Actuarial Standards Board and the applicable Guides to Professional Conduct, amplifying Opinions, and supporting Recommendations of the American Academy of Actuaries.

We further certify that all costs, liabilities, rates of interest, and other factors for LACERA have been determined on the basis of actuarial assumptions and methods which are individually reasonable (taking into account the experience of LACERA and reasonable expectations) and which, in combination, offer our best estimate of anticipated experience affecting LACERA. Nevertheless, the emerging costs will vary from those presented in this report to the extent that actual experience differs from that projected by the actuarial assumptions. The Board of Investments has the final decision regarding the appropriateness of the assumptions and adopted them as indicated in Appendix A.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or

This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes.
Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.

additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements.

Actuarial computations presented in this report are for purposes of determining the recommended funding amounts for LACERA. Actuarial computations under GASB Statement No. 25 are for purposes of fulfilling financial accounting requirements. The computations prepared for this purpose may differ as disclosed in our report. The calculations in the enclosed report have been made on a basis consistent with our understanding of LACERA's funding requirements as stated under their Interim Funding Policy, the Retirement Benefit Enhancement Agreement, and of GASB Statement No. 25. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

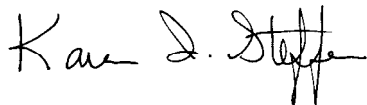
Milliman's work product was prepared exclusively for LACERA for a specific and limited purpose. It is a complex, technical analysis that assumes a high level of knowledge concerning LACERA's operations, and uses LACERA's data, which Milliman has not audited. It is not for the use or benefit of any third party for any purpose. Any third party recipient of Milliman's work product who desires professional guidance should not rely upon Milliman's work product, but should engage qualified professionals for advice appropriate to its own specific needs.

We would like to express our appreciation to Mr. Gregg Rademacher, Chief Executive Officer of LACERA, and to members of his staff, who gave substantial assistance in supplying the data on which this report is based.

We are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

We respectfully submit the following report, and we look forward to discussing it with you.

Sincerely,



Karen I. Steffen, FSA, EA, MAAA
Consulting Actuary



Nick J. Collier, ASA, EA, MAAA
Consulting Actuary

KIS/NJC/nlo

**Los Angeles County Employees
Retirement Association**

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**Los Angeles County Employees
Retirement Association**

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This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.

Los Angeles County Employees Retirement Association

Section 1: Summary of the Findings



2008 Valuation Results

	June 30, 2008	June 30, 2007
Required County Contribution Rate	12.08%	12.40%
Funded Ratio	94.5%	93.8%

Overview

We are pleased to present the results of the June 30, 2008 triennial actuarial valuation. Several key points are summarized as follows:

- **Investment Returns:** For the fiscal year ending in 2008, the fund returned -1.5% on a market basis, significantly less than the assumed rate of 7.75%. However, deferred gains of \$1.8 billion from 2006 and 2007 were recognized, offsetting this loss. The result is a \$0.4 billion gain on actuarial assets. Although the gain is relatively small, it had the largest impact of any factors affecting this year's valuation results.

Note that currently a \$1.8 billion net investment loss is being deferred. This is because the asset-smoothing method has recognized only one-third of the loss from last year. This loss will be reflected over the next two valuations under the current asset-smoothing method.

Further, additional investment losses that have occurred in the second half of 2008, but are not included in this valuation, are likely to have a significant effect on future valuations.

- **Funding:** The Funded Ratio increased from 93.8% to 94.5%. The investment gain caused in a 1.0% increase in the Funded Ratio; however, this was somewhat offset by the actuarial loss due to actual salary increases for continuing actives that exceeded those assumed.
- **Contribution Rates:** The County normal cost rate decreased from 10.16% to 10.09%. The County's required contribution rate to finance the Unfunded Actuarial Accrued Liability (UAAL) over 30 years decreased from 2.24% to 1.99%. The result is a decrease in the required total contribution rate from the prior valuation of 0.32% (from 12.40% to 12.08% of payroll). The most important factor causing this decrease was the asset gain, although this was somewhat offset by the higher than assumed salary increases.

Summary of the Findings (continued)

Required Contribution Rate

In accordance with the Retirement Benefits Enhancement Agreement, the required County contribution rate is 12.08% of payroll. This is equal to the payment of the County normal cost rate plus a 30-year amortization of the UAAL. It should be noted that the 12.08% is a weighted average for all LACERA plans. The actual percent of payroll to be contributed by the County varies by plan as shown in Exhibit 11.

The new required rate is effective for the fiscal year beginning July 1, 2009. The 12.08% contribution rate is currently adequate to maintain the funding of the retirement system benefits based on the actuarial methods and assumptions used and satisfies the funding policies adopted by the Board. If the County were to elect to continue contributing at the current rate of 12.40%, this would reduce the projected amortization period from 30 years to 23.7 years.

Analysis of Change

The following chart shows that the asset gain was the most significant factor affecting the County contribution rate and the funded status. However, the impact of the asset gains was somewhat offset by salary increases greater than assumed.

Sources of Change	County Contribution Rate	Funded Ratio
June 30, 2007 Actuarial Valuation	12.40%	93.8%
Expected Year-to-Year Change	-0.17%	0.2%
Asset Gain/Loss	-0.24%	1.0%
Salary / Payroll Variation	0.21%	-0.7%
Retiree COLAs Less than Expected	0.00%	0.0%
Assumption Changes	0.00%	0.0%
Other	-0.12%	0.2%
Total Change	-0.32%	0.7%
June 30, 2008 Actuarial Valuation	12.08%	94.5%

Funding Progress

Based on the 2007 valuation, the expected funding status as of June 30, 2008 was a UAAL amount of \$2.39 billion. The actual UAAL for the fiscal year ending June 30, 2008 is \$2.31 billion. The decrease was due to a net experience gain on valuation assets of \$0.43 billion, which was largely offset by a loss on liabilities of \$0.35 billion. The loss on liabilities was primarily due to an actual increase in salaries for continuing active members greater than the assumed rate.

Summary of the Findings (continued)

Funding Progress (continued)

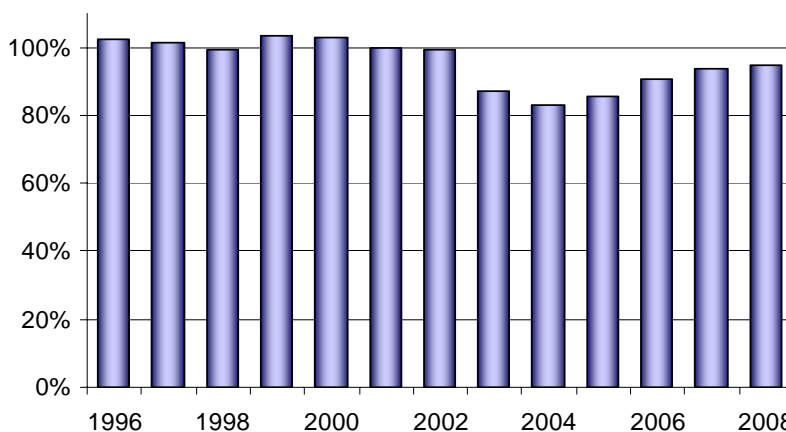
One measure of the funding adequacy of the plan is the Funded Ratio which compares the value of the Actuarial Value of Assets (net of certain non-valuation reserves) to the Actuarial Accrued Liability (AAL), for all LACERA plans combined. LACERA had maintained a Funded Ratio of approximately 100% for 1996-2002. The Funded Ratio decreased significantly in 2003 and 2004 due to asset losses from earlier in the decade being recognized,. Strong investment returns over the past several years have resulted in an increase in the Funded Ratio to 94.5% this year, as shown in the following graph.

On June 30, 2008, the total Market Value of the fund was \$38.7 billion. The Actuarial Value was \$40.6 billion and was split between \$0.9 billion of Non-Valuation Assets and \$39.7 billion of Valuation Assets. The Valuation Assets are equal to 94.5% of the \$42.0 billion AAL.

All dollar amounts in billions

	Market Value of Total Assets	Actuarial Value		Actuarial Accrued Liability	Funded Ratio
		Non- Valuation Reserves	Valuation Assets		
1999	\$ 28.0	\$ 3.7	\$ 23.5	\$ 22.8	103.3%
2000	31.6	4.3	25.4	24.7	102.9
2001	28.4	4.4	26.5	26.5	100.0
2002	26.0	2.0	28.3	28.4	99.4
2003	26.2	1.6	26.6	30.5	87.2
2004	29.5	1.4	27.1	32.7	82.8
2005	32.0	1.1	29.5	34.4	85.8
2006	35.2	0.9	32.8	36.3	90.5
2007	40.9	0.8	37.0	39.5	93.8
2008	38.7	0.9	39.7	42.0	94.5

Historical Funded Ratios



Association Assets

Market Value: The market value of assets has increased over the past 10 years, as a result of contributions and investment earnings, offset by benefit payments. The average return for the fund over that period is estimated to be 7.4%. The values shown in the market value column are total assets net of liabilities, and include all reserves.

Actuarial Assets: The market value of total assets is used in calculating the actuarial value of assets. Under the actuarial asset method, the market value returns are smoothed over a three-year period.

Valuation Reserves: The reserves represent the ownership of LACERA's assets. The reserves are established in compliance with the County Employees Retirement Law of 1937 as administered by the Board of Investments. These assets also reflect smoothing.

Non-Valuation Reserves: The non-valuation reserves are set aside for obligations or contingencies. They are not used to fund the retirement benefits unless explicitly stated. These assets may also reflect smoothing.

Valuation Assets: This is the combination of the valuation reserves and the portion of the non-valuation reserves that are recognized for funding purposes only as allowed under the 2003 Retirement Benefits Enhancement Agreement.

Actuarial Balance Sheet

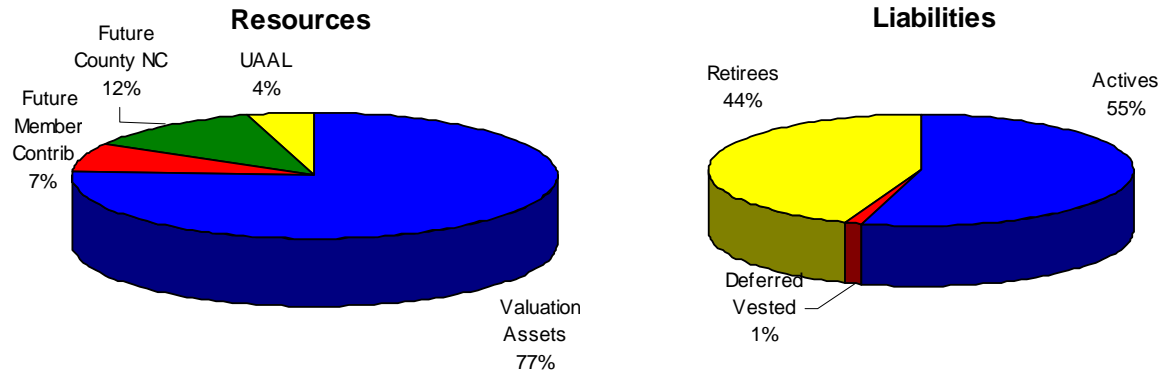
The first step in the valuation process is to compare the total actuarial assets of LACERA with its total liabilities for all plans. In this analysis, assets equal those currently on hand, at the actuarial value, and also expected future contributions by both the County and members. Liabilities reflect benefits already earned in the past and those expected to be earned in the future by current members. This relationship is shown in the following chart. The AAL is the total of these liabilities less expected future normal cost contributions.

Comparing the current and future assets to the current and future liabilities, we then determine the annual contribution amount for the coming fiscal year.

Summary of the Findings (continued)

Actuarial Balance Sheet (continued)

The 2008 actuarial valuation indicates that LACERA's Valuation Assets are less than its AAL. The difference between these two values is the UAAL. It is discussed, along with the effect of the experience gains and losses, in detail in Section 4, Actuarial Liabilities.



Funding Agreement

In 1994, the County and LACERA entered into a funding agreement that determined how the excess earnings were to be allocated for 1994-1998 and how County contributions were to be computed if a UAAL existed. Since LACERA met the funding requirements of the Funding Agreement in 1994-1998, County contributions consisted of the Normal Cost contribution only during that period.

Funding Policy

The 1994 Funding Agreement indicated the funding policy to be followed in 1994 through 1998. It only describes the amortization of any UAAL amounts for 1999-2008. During 2000, the Board discussed a long-term funding policy and established a method of allocating earnings on the various reserve funds under their Interim Funding Policy. In 2002, along with adopting certain benefit enhancements, a Retirement Benefits Enhancement Agreement set up a new funding policy for the 2002-2008 valuations.

Summary of the Findings (continued)

Funding Policy (continued)

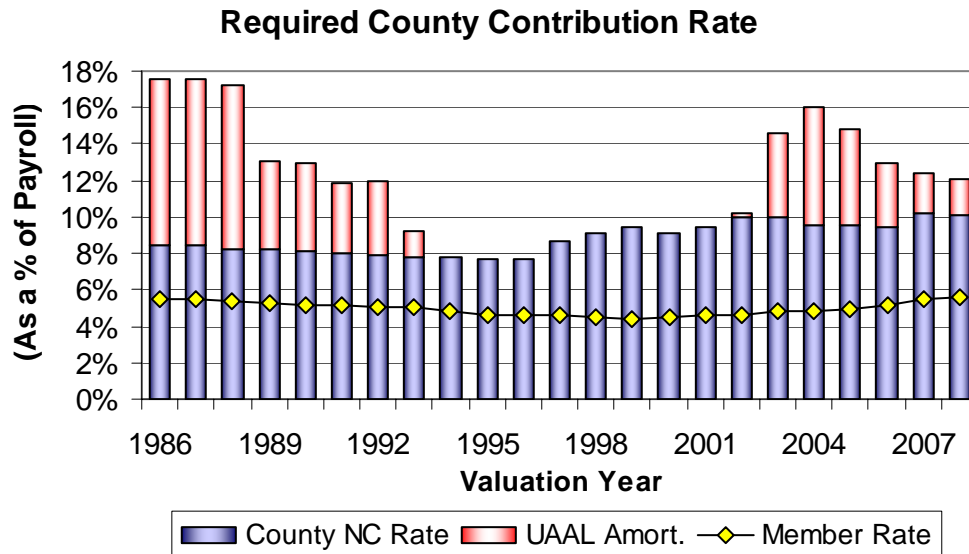
Under the 2002 Retirement Benefits Enhancement Agreement, all of the funds in the Contingency Reserve in excess of 1% of the actuarial value of assets of the entire fund are considered as part of the Valuation Assets. In addition, in any year in which the Funded Ratio is less than 100% prior to its inclusion, a portion of the STAR Reserve is also to be considered as part of the Valuation Assets. The portion that is not available for treatment as Valuation Assets is the amount determined to be sufficient to fund the STAR benefits until July 1, 2009.

Note that, if the entire STAR reserve of \$629 million was excluded from the Valuation Assets, the UAAL would increase by \$614 million. Under this hypothetical scenario, the required County contribution rate would increase by 0.56% to 12.64%, and the Funded Ratio would decrease by 1.5% to 93.0%.

The Retirement Benefits Enhancement Agreement was adopted as a short term funding policy, applicable through the 2008 actuarial valuation.

County Contribution Rates

Based on the results of the valuation, the Interim Funding Policy, and the Retirement Benefits Enhancement Agreement, the required County contribution rate will decrease for the fiscal year beginning in 2008 to a rate of 12.08% of pay. A historical perspective of the County contribution rates is shown in the following graph.



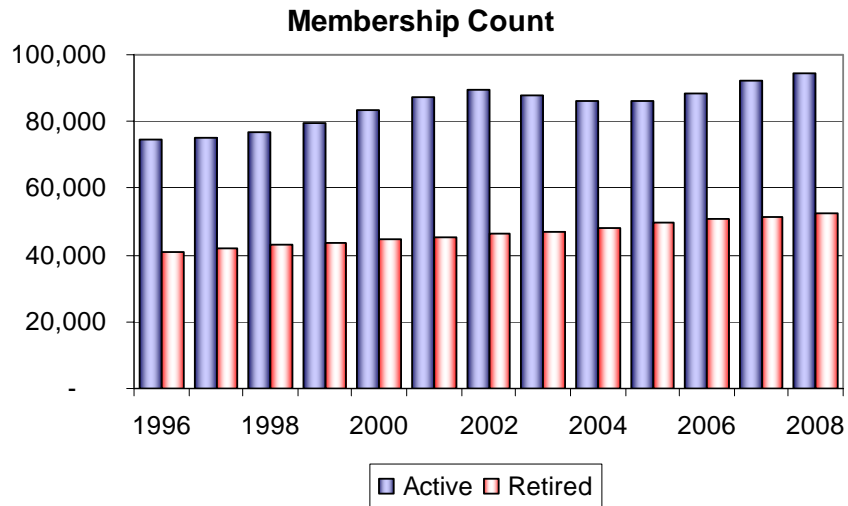
Summary of the Findings (continued)

Member Rates

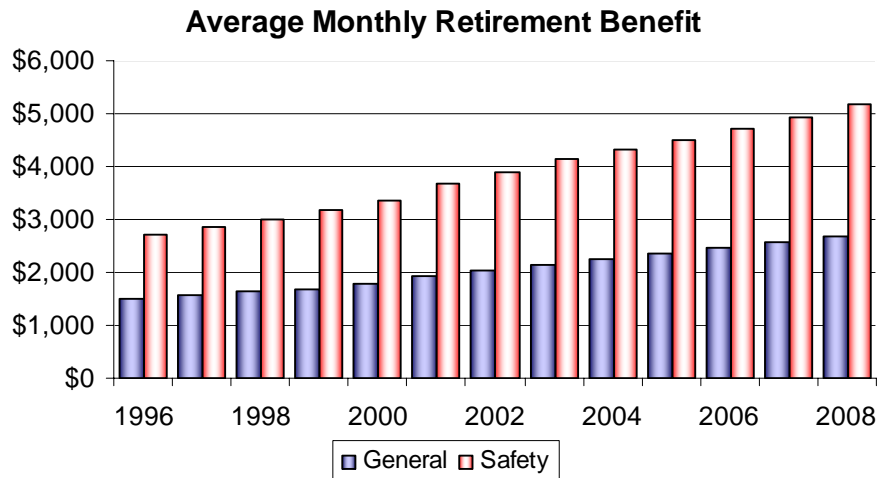
Since this is not a triennial valuation, we have not recommended any changes in member contribution rates. Member rates for all plans are discussed in Section 5, and they are shown in detail in Appendix D.

Member Information

Payroll has increased since 2007. As of June 30, 2008, the annualized payroll is \$6.26 billion for 94,492 active members. This increase is a result of a 3.6% increase in average pay and a 2.6% increase in active members.



Retired member counts and average retirement benefit amounts continue to increase steadily. For 2008, there were 52,350 retired members and beneficiaries with an average benefit of \$3,150 per month. This represents a 1.9% increase in count and a 4.6% increase in the average monthly benefit.



Summary of the Findings (continued)

Analysis of Change in Member Population

The following table summarizes the year-to-year change in member population. In addition to the movement shown below, 638 members (583 last year) transferred from Plan E to Plan D during the past year; and 201 members (176 last year) transferred from Plan D to Plan E.

	Active Contributing Members	Deferred Members*	Retirees, Disabilities, & Beneficiaries
June 30, 2007 Valuation	92,096	7,911	51,392
Termination without Refund	(1,251)	4,541	-
Termination with Refund	(1,110)	(145)	-
Active/Deferred Death with Annuity	(64)	(40)	104
Service Retirement	(1,784)	(351)	2,135
Disability Retirement	(123)	(2)	125
Retiree Death without Beneficiary	-	-	(1,401)
New Entrants	6,643	-	-
Rehires	85	(80)	(5)
Total Change	2,396	3,923	958
June 30, 2008 Valuation	94,492	11,834	52,350

* Includes non-vested terminated members who have not taken a refund.
Previous totals only included vested members.

Sensitivity to Investment Return

The valuation results are projections based on the actuarial assumptions. Actual experience will differ from these assumptions, either increasing or decreasing the ultimate cost. Of the assumptions, the investment return generally has the biggest impact. The following chart provides a simple analysis on how the costs are affected by the investment return assumption.

	Investment Return Assumption		
	Current 7.75%	+0.5% 8.25%	-0.5% 7.25%
County Contribution Rate	12.08%	8.62%	15.92%
Change		-3.46%	3.84%
Funded Ratio	94.5%	100.3%	88.9%
Change		5.8%	-5.7%

Summary Valuation Results

The following Exhibit 1 presents a summary of key data elements on June 30, 2008 and June 30, 2007, and how they changed over the past year. More detail on each of these elements can be found in the following Sections and Exhibits of this report.

Los Angeles County Employees Retirement Association

Exhibit 1: Summary of Significant Valuation Results

	June 30, 2008	June 30, 2007	Percentage Change
I. Total Membership			
A. Active Members	94,492	92,096	2.6%
B. Retired Members & Beneficiaries	52,350	51,392	1.9%
C. Deferred Members*	<u>11,834</u>	<u>7,911</u>	49.6%
D. Total	158,676	151,399	4.8%
* June 30, 2007 count excludes non-vested terminated members who still have member contributions with LACERA.			
II. Pay Rate as of June 30, 2008			
A. Annual Total (\$millions)	\$ 6,257	\$ 5,886	6.3%
B. Monthly Average	\$ 5,518	\$ 5,326	3.6%
III. Average Monthly Benefit Paid to Current Retirees and Beneficiaries			
A. Service Retirement	\$ 3,210	\$ 3,073	4.5%
B. Disability Retirement	\$ 3,826	\$ 3,668	4.3%
C. Surviving Spouse and Dependents	\$ 2,014	\$ 1,927	4.5%
D. Total	\$ 3,150	\$ 3,013	4.6%
IV. Actuarial Accrued Liability			
A. Active Members	\$ 18,245	\$ 17,105	6.7%
B. Retired Members	\$ 23,026	\$ 21,778	5.7%
C. Vested Terminated Members	<u>\$ 704</u>	<u>\$ 619</u>	13.7%
D. Total	\$ 41,975	\$ 39,503	6.3%
V. Assets			
A. Market Value of Fund (\$millions)	\$ 38,725	\$ 40,908	(5.3)%
B. Actuarial Value (\$millions)			
1. Valuation Reserves	\$ 39,662	\$ 37,042	7.1%
2. Non-valuation Reserves	\$ 891	\$ 835	6.7%
C. Annual Investment Return			
1. Market Basis	(1.5)%	19.1%	na
2. Valuation (Actuarial) Basis	9.0%	14.5%	na
VI. Unfunded Actuarial Accrued Liability or Surplus Funding (\$millions)	\$ 2,313	\$ 2,461	(6.0)%
VII. Required County contribution rate for all plans combined as a percent of total payroll			
A. Gross Normal Cost	15.68%	15.67%	0.1%
B. Member Contributions	<u>(5.59)%</u>	<u>(5.51)%</u>	1.5%
C. County Normal Cost	10.09%	10.16%	(0.7)%
D. UAAL Amortization	<u>1.99%</u>	<u>2.24%</u>	(11.2)%
E. Total Required Contribution	12.08%	12.40%	(2.6)%
VIII. Funded Ratio	94.5%	93.8%	0.8%



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Los Angeles County Employees Retirement Association

Section 2: Scope of the Report



This report presents the actuarial valuation of the Los Angeles County Employees Retirement Association as of June 30, 2008. This valuation was requested by the Board. Section 31453 of the County Employees Retirement Law of 1937 (the '37 Act) requires an actuarial valuation to be performed at least every three years for the purposes of setting contribution rates. The 2008 valuation meets this requirement. Additionally, under the Retirement Benefit Enhancement Agreement, annual valuations determine the County Contribution rates each year through 2008.

In reading our cover letter, please pay particular attention to the guidelines employed in the preparation of this report. We also comment on the sources and reliability of both the data and the actuarial assumptions upon which our findings depend. Those comments are the basis for our certification that this report is complete and accurate to the best of our knowledge and belief.

A summary of the findings resulting from this valuation is presented in the previous section. Section 3 describes the assets and investment experience of the System. The assets and investment income are presented in Exhibits 2-4. Exhibit 5 develops the Actuarial Value of Assets as of June 30, 2008. Exhibit 6 develops the Valuation Assets used for funding benefits.

Section 4 describes the benefit obligations of LACERA. Exhibit 7 is the Actuarial Balance Sheet and Exhibit 8a analyzes the change in UAAL (Surplus Funding). Exhibit 8b shows a history of these changes.

Section 5 discusses the Member contribution rates.

Section 6 discusses the County contributions needed to fund the benefits under the actuarial cost method in use.

Section 7 discloses the information required under Statement No. 25 of the Governmental Accounting Standards Board (GASB).

Section 8 shows the estimated cash flow of the system, including a projection of both contributions and benefit payments.

This report includes several appendices:

- Appendix A A summary of the actuarial procedures, and assumptions used to estimate liabilities and contributions.
- Appendix B A summary of the current benefit structure, as determined by the provisions of governing law on June 30, 2008.
- Appendix C Schedules of valuation data classified by various categories of plan members.
- Appendix D Member contribution rates by plan.
- Appendix E Historical information.
- Appendix F A glossary of actuarial terms used in this report.

Los Angeles County Employees Retirement Association

Section 3: Assets



In many respects, an actuarial valuation can be thought of as an inventory process. The inventory is taken as of the actuarial valuation date, which for this valuation is June 30, 2008. On that date, the assets available for the payment of retirement benefits are appraised. These assets are compared with the actuarial liabilities, which are generally well in excess of the actuarial assets. The purpose of the valuation is to determine what future contributions by the members and County are needed to pay all expected future benefits.

This section of the report looks at the determination of assets used for funding purposes. In the next section, the actuarial liabilities will be discussed. Sections 5 and 6 review the process for determining required contributions based on the relationship between the actuarial assets and the actuarial liabilities.

A historical summary of the system's assets is presented below:

All dollar amounts in billions				
	Market Value of Total Assets	Actuarial Value		Total Fund Return*
		Non- Valuation Reserves	Valuation Assets	
1999	\$ 28.0	\$ 3.7	\$ 23.5	12.9%
2000	31.6	4.3	25.4	15.2
2001	28.4	4.4	26.5	-5.2
2002	26.1	2.0	28.3	-5.6
2003	26.2	1.6	26.6	3.6
2004	29.5	1.4	27.1	16.5
2005	32.0	1.1	29.5	11.0
2006	35.2	0.9	32.8	13.0
2007	40.9	0.8	37.0	19.1
2008	38.7	0.9	39.7	-1.5

**As reported in the Investment Section of the CAFR.*

On June 30, 2008, the total market value of the fund, less current liabilities, was \$38.7 billion. The actuarial value of the fund was determined to be \$40.6 billion, including the non-valuation reserves. The average total fund return for the last 10 years is 7.4%.

Financial Exhibits

Exhibit 2 presents a Statement of Plan Net Assets and Exhibit 3 presents a Statement of Changes in Plan Net Assets. Exhibit 4 describes the allocation of LACERA's assets by the various reserve values determined for accounting purposes as disclosed in the Comprehensive Annual Financial Report (CAFR).

Exhibits 2-4 are taken directly from data furnished to us by LACERA in their annual financial report. We have accepted these tables for use in this report without audit, but we have reviewed them both for the prior year and the current year for reasonableness and consistency with previous reports.

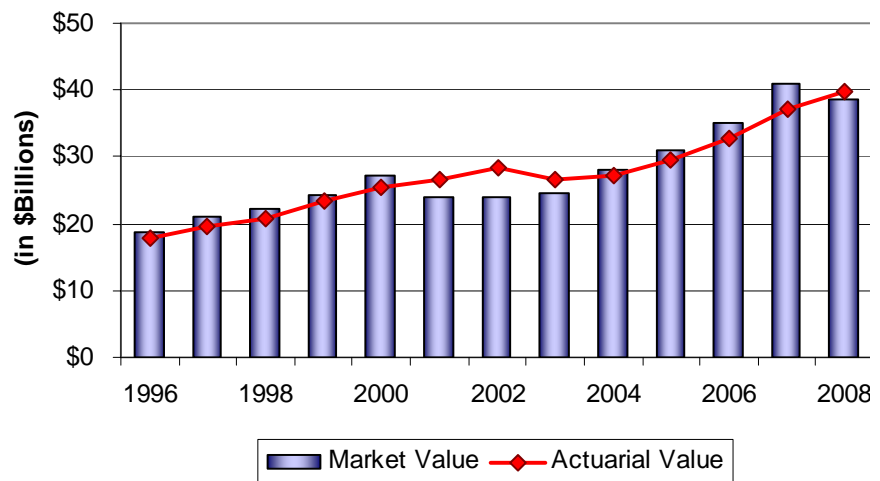
Actuarial Asset Method

The actuarial asset method computes the expected market value of assets based on the prior year's market value of assets, the actual cash flow of contributions and benefit payments, and the assumed investment rate of return. The current assumed rate of return is 7.75%, net of all expenses. The difference between the actual market value and the computed expected market value is smoothed, or recognized over a three-year period.

Actuarial Value of Assets

The development of the June 30, 2008 actuarial value of assets is shown in Exhibit 5. Note the smoothing process is deferring an investment gain from 2007 and a larger investment loss from 2008 and is now in a net actuarial loss position. The result is an actuarial value of assets that is greater than the June 30, 2008 market value by \$1.8 billion. The following graph shows a historical comparison of the actuarial and market assets used for valuation purposes.

Applicable Valuation Assets



**Interim Actuarial
Funding Policy**

At the February 14, 2001 Board meeting, the following Interim Actuarial Funding Policy was adopted:

Earnings for a Plan Year plus recognized investment income, together with the prior balances in the Contingency Reserve will be allocated as of the Valuation Date in the following order of priority:

- Priority 1: Allocate to the Member Reserve an amount equal to one year's interest at LACERA's interest crediting rate, generally the assumed interest rate used in the actuarial valuation as of the preceding Valuation Date.
- Priority 2: Allocate to the Employer Reserve and the Advanced Employer Contributions Reserve amounts equal to one year's interest at the assumed interest rate used in the actuarial valuation as of the preceding Valuation Date.
- Priority 3: Allocate to the Contingency Reserve an amount equal to 1% of Actuarial Value of Assets.
- Priority 4: Allocate to the County Contribution Credit Reserve an amount equal to one year's interest at the assumed interest rate used in the actuarial valuation as of the preceding Valuation Date.
- Priority 5: Allocate to the Employer Reserve an amount, if necessary, when combined with other valuation Reserves, to provide 100% funding of the AAL as of the Valuation Date.
- Priority 6: Allocate any remaining Earnings as directed by the Board of Investments.

There were enough earnings for the year and assets in the contingency reserve to satisfy Priorities 1-4. The remainder was credited to the Employer Reserve (Priority 5); however, this was not enough to provide 100% funding of the AAL.

Valuation Assets

Valuation Assets are the actuarial value of the fund, less the value of any reserves which have been set aside for current liabilities and special benefits that are to be funded outside of the actuarially determined contribution rates. The '37 Act requires the Contingency Reserve be set at a minimum of 1.0% of assets.

**Valuation Assets
(continued)**

The Retirement Benefits Enhancement Agreement allows a portion of the STAR Reserve to also be allocated to the Valuation Assets, if needed. The estimated value of approving a permanent STAR benefit through July 1, 2009 is \$15.1 million and should be excluded from the Valuation Assets. Thus, all but \$15.1 million of the June 30, 2008 accounting value of the \$629 million STAR Reserve was used to determine the contribution rates for fiscal year commencing July 1, 2009. The non-valuation reserve allocations for funding purposes shown in Exhibit 6 are not the same as those shown in the annual report and in Exhibit 4.

Note that the County Contribution Credit Reserve is credited with interest under the Interim Funding Policy as shown in Exhibit 6, the allocation of Valuation Assets, and is greater than the accounting value shown in Exhibit 4.

The Retirement Benefits Enhancement Agreement expires on July 1, 2010. Commencing with the June 30, 2009 valuation, the funding policy for LACERA shall be determined by the Board of Investment as it shall deem appropriate.

Los Angeles County Employees Retirement Association

**Exhibit 2: Statement of Plan Net Assets
For Years Ended June 30, 2007 and 2008
(Dollars in Thousands)**

	2008	2007
Assets		
Cash	\$ 47,965	\$ 21,444
Collateral on Loaned Securities	2,322,698	3,126,337
Receivables		
Contributions Receivable	82,562	25,557
Accounts Receivable – Sale of Investments	792,047	393,776
Accrued Interest and Dividends	132,306	137,271
Accounts Receivable – Other	57,566	56,798
Total Receivables	<u>1,064,481</u>	<u>613,402</u>
Investments at Fair Value		
Stocks	19,241,860	21,936,470
Bonds	12,299,188	12,063,995
Commodities	638,575	410,932
Real Estate	3,996,568	4,126,103
Alternative Assets	3,296,714	2,791,924
Total Investments	<u>39,472,905</u>	<u>41,329,424</u>
Capital Assets Net of Depreciation	-	-
Total Assets	<u>42,908,049</u>	<u>45,090,607</u>
Liabilities		
Accounts Payable – Purchase of Investments	1,799,138	988,225
Retiree Payroll and Other Payables	267	203
Accrued Expenses	36,302	33,988
Tax Withholding Payable	20,365	18,513
Obligations under Securities Lending Program	2,322,698	3,126,337
Accounts Payable – Other	4,608	15,235
Total Liabilities	<u>4,183,378</u>	<u>4,182,501</u>
Net Assets Held in Trust for Pension Benefits	<u>38,724,671</u>	<u>40,908,106</u>

Los Angeles County Employees Retirement Association

**Exhibit 3: Statement of Changes in Plan Net Assets
For the Years Ended June 30, 2007 and 2008
(Dollars in Thousands)**

	2008	2007
Additions		
Contributions		
Employer	\$ 788,029	\$ 751,928
Member	414,752	347,701
Total Contributions	1,202,781	1,099,629
Investment Income		
From Investing Activities		
Net Appreciation/(Depreciation) in Fair Value of Investments	(6,258,819)	2,760,428
Investment Income	4,929,295	3,794,202
Total Investing Activity Income/(Loss)	(1,329,524)	6,554,630
Less Expenses From Investing Activities	(114,183)	(75,922)
Net Investing Activity Income/(Loss)	(1,443,707)	6,478,708
From Securities Lending Activities		
Securities Lending Income	122,531	149,925
Less Expenses From Securities Lending Activities		
Borrower Rebates	(103,297)	(140,620)
Management Fees	(1,644)	(829)
Total Expenses from Securities Lending Activities	(104,941)	(141,449)
Net Securities Lending Income	17,590	8,476
Total Net Investment Income/(Loss)	(1,426,117)	6,487,184
Miscellaneous	1,767	1,803
Total Additions/(Declines)	(221,569)	7,588,616
Deductions		
Retiree Payroll	1,885,970	1,773,027
Administrative Expense	48,223	43,880
Refunds	25,588	18,038
Lump Sum Death Benefits	1,714	1,589
Miscellaneous	371	197
Total Deductions	1,961,866	1,836,731
Transfer to OPEB Agency Fund	-	29,368
Net Increase/(Decrease)	(2,183,435)	5,722,517
Net Assets Held in Trust for Pension Benefits Beginning of Year	40,908,106	35,185,589
End of Year	38,724,671	40,908,106

Los Angeles County Employees Retirement Association

Exhibit 4: Allocation of Assets by Accounting Reserve Amounts (Dollars in Thousands)

	June 30, 2008	June 30, 2007
1. Member Reserves		
a. Active Members	\$ 12,827,695	\$ 12,003,875
b. Unclaimed Deposits	-	-
c. Total Member Reserves	\$ 12,827,695	\$ 12,003,875
2. Employer Reserves		
a. Actual Employer Contributions	\$ 20,732,940	\$ 17,484,630
b. Advanced Employer Contributions	-	-
c. Total Employer Contributions	\$ 20,732,940	\$ 17,484,630
3. County Contribution Credit Reserve	\$ 470,710	\$ 444,738
4. STAR Reserve	629,127	633,626
5. Contingency Reserve	394,721	412,940
6. Total Reserves at Book Value	\$ 35,055,193	\$ 30,979,809
7. Unrealized Investment Portfolio Appreciation	3,669,478	9,928,297
8. Total Reserves at Fair Value	\$ 38,724,671	\$ 40,908,106

Note: These amounts were determined by LACERA for accounting purposes and are reported in the June 30, 2008 CAFR.

**Los Angeles County Employees
Retirement Association**

Exhibit 5: Three-Year Smoothing of Gains and Losses on Market Value
(Dollars in Thousands)

June 30, 2008 Valuation					
Plan Year Ending	Contributions	Benefit Payments	Expected Market Value	Actual Market Value	Phase-Out of Gain / (Loss)
6/30/2008	\$ 1,202,781	\$ 1,913,272	\$ 43,340,975	\$ 38,724,671	66.67% x \$ (4,616,304) = \$ (3,077,536)
6/30/2007	1,099,629	1,822,022	37,162,609	40,908,106	33.33% x 3,745,497 = 1,248,499
6/30/2006	972,843	1,864,880	33,582,170	35,185,589	0.00% x 1,603,419 = 0
6/30/2005				32,026,105	= 0
Total Phase-Out of Gain / (Loss) =					\$ (1,829,037)
Total Market Value of Assets =					38,724,671
Total Actuarial Value of Assets =					\$ 40,553,708
Total Actuarial Value of Assets = Total Market Value of Assets less the Total Phase-Out amount Phase-Out amounts will be recognized in future years.					

Los Angeles County Employees Retirement Association

Exhibit 6: Allocation of Valuation and Non-Valuation Assets (Dollars in Thousands)

	June 30, 2008	June 30, 2007
1. Total Market Value of Assets	\$ 42,908,049	\$ 45,090,607
2. Current Liabilities	<u>4,183,378</u>	<u>4,182,501</u>
3. Net Assets Held in Trust for Pension Benefits	\$ 38,724,671	\$ 40,908,106
4. Market Stabilization Reserve ⁽¹⁾	<u>(1,829,037)</u>	<u>3,031,471</u>
5. Actuarial Value of Fund Assets	\$ 40,553,708	\$ 37,876,635
6. Non-Valuation Reserves ⁽²⁾		
a. Unclaimed Deposits	\$ -	\$ -
b. Contingency Reserve	405,537	378,766
c. Advanced Employer Contributions	-	-
d. County Contribution Credit Reserve	470,710	444,737
e. Reserve for STAR Program	<u>15,100</u>	<u>11,300</u>
f. Total	\$ 891,347	\$ 834,803
7. Valuation Assets ⁽²⁾		
a. Member Reserves	\$ 12,827,695	\$ 12,003,875
b. Employer Reserves for Funding Purposes	<u>\$ 26,834,666</u>	<u>\$ 25,037,957</u>
c. Total	\$ 39,662,361	\$ 37,041,832

(1) The Market Stabilization Reserve represents the difference between the Market Value of the fund, less Current Liabilities, and the Actuarial Value of the fund as determined in Exhibit 5.

(2) The values used for funding purposes for all reserves are based on the Board's Interim Funding Policy. Amounts used for funding purposes may differ from those reported in the financial report as shown in Exhibit 4.

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Los Angeles County Employees Retirement Association

Section 4: Actuarial Liabilities



In the previous section, an actuarial valuation was compared with an inventory process, and an analysis was given of the inventory of LACERA's assets as of the valuation date, June 30, 2008. In this section, the discussion will focus on the commitments of LACERA for retirement benefits, which are referred to as its actuarial liabilities.

In an active system, the actuarial liabilities will almost always exceed the actuarial assets. This is usually expected in all but a fully closed down fund, where no further contributions of any sort are anticipated. This deficiency has to be provided by future contributions and investment returns. An actuarial valuation method sets out a schedule of future contributions that will deal with this deficiency in an orderly fashion. The determination of the level of future contributions needed is discussed in the next section.

Actuarial Balance Sheet – Liabilities

First, we need to determine the amount of the deficiency. We compare the Actuarial Value of the Valuation Assets to the Actuarial Liabilities. The difference is the amount that needs to be funded by the Member and County contributions in the future. Both the current and future assets (contributions) are compared to the actuarial liabilities in the Actuarial Balance Sheet.

Exhibit 7 contains an analysis of the actuarial present value of all future benefits for inactive members, (both retired and deferred vested members), and active members. The analysis is given by class of membership, by plan and by type of benefit. Note that for purposes of this exhibit the valuation assets are shown allocated by plan in proportion to each plan's reserves (employer and member).

The actuarial liabilities include the actuarial present value of all future benefits expected to be paid with respect to each member. For an active member, this value includes measures of both benefits already earned and future benefits to be earned. For all members, active and inactive, the value extends over the rest of their lives and for the lives of any surviving beneficiaries.

The actuarial assumptions used to determine the liabilities are based on the results of the 2007 Investigation of Experience Report. New assumptions were adopted by the Board effective with the June 30, 2007 actuarial valuation.

Los Angeles County Employees Retirement Association

Exhibit 7: Actuarial Balance Sheet – June 30, 2008
(Dollars in Millions)

	General					Safety		
	Plan A	Plan B	Plan C	Plan D	Plan E	Plan A	Plan B	All Plans
LIABILITIES								
Present Value of Benefits - Inactives								
- Retirees and Beneficiaries	\$ 12,014	\$ 168	\$ 86	\$ 1,512	\$ 916	\$ 7,185	\$ 1,145	\$ 23,026
- Vested Terminated	64	9	3	272	295	3	58	704
- Inactive Total	12,078	177	89	1,784	1,211	7,188	1,203	23,730
Present Value of Benefits - Actives								
- Service Retirement	\$ 1,957	\$ 219	\$ 140	\$ 10,135	\$ 4,980	\$ 409	\$ 4,715	\$ 22,555
- Transfer Service (prior LACERA plan)	10	1	2	78	288	3	6	388
- Disability Retirement	47	6	4	853	N/A	179	3,314	4,403
- Death	18	2	2	326	N/A	1	62	411
- Termination (No Refund)	*	*	*	260	158	*	57	475
- Refund of Member Contributions	*	*	*	95	N/A	*	13	108
- Active Total	2,032	228	148	11,747	5,426	592	8,167	28,340
Total Actuarial Liabilities	\$ 14,110	\$ 405	\$ 237	\$ 13,531	\$ 6,637	\$ 7,780	\$ 9,370	\$ 52,070
ASSETS								
Valuation Assets	\$ 8,690	\$ 451	\$ 268	\$ 9,865	\$ 8,052	\$ 4,572	\$ 7,764	\$ 39,662
PV Future Member Contributions	22	8	5	2,569	*	1	1,191	3,796
PV Future County Normal Cost Contribs.	88	9	7	2,903	1,430	26	1,836	6,299
UAAL or (Surplus Funding)	5,310	(63)	(43)	(1,806)	(2,845)	3,181	(1,421)	2,313
Total Current and Future Assets	\$ 14,110	\$ 405	\$ 237	\$ 13,531	\$ 6,637	\$ 7,780	\$ 9,370	\$ 52,070

* Less than \$0.5 million



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**Actuarial Balance
Sheet – Liabilities
(continued)**

All liabilities reflect the benefits effective through June 30, 2008. This includes the permanent STAR COLA adopted for 2008. Also, estimated liabilities of \$15 million for the recently settled court case (Fire Chiefs – FLSA) are included.

**Actuarial Balance
Sheet – Assets**

For the purpose of the Actuarial Balance Sheet, LACERA's assets are equal to the sum of:

- (a) assets currently available to pay benefits and considered for funding purposes, the Valuation Assets,
- (b) the present value of future contributions expected to be made by current active Members, and
- (c) the present value of future contributions expected to be made by the County.

**Actuarial Cost
Method**

The Actuarial Balance sheet determines the amount of future contributions that are needed, but the method used to determine the incidence of when those future contributions are yet to be made in future years is called the “actuarial cost method”. For this valuation, the entry age actuarial cost method has been used. Under this method – or essentially any actuarial cost method – the contributions required to meet the difference between current assets and current actuarial liabilities are allocated each year between two elements:

- A normal cost amount; and
- Whatever amount is left over, which is used to amortize what is called the UAAL.

The two items described above – the normal cost and UAAL – are the keys to understanding the actuarial cost method.

Normal Cost

The normal cost is the theoretical contribution rate that will meet the ongoing costs of a group of average new employees. Suppose that a group of new employees was covered under a separate fund from which all benefits and to which all contributions and associated investment returns were paid.

Under the entry age actuarial cost method, the normal cost contribution rate maintains the funding of benefits as a level percentage of pay. If experience follows the actuarial assumptions precisely, the fund would be completely liquidated when the last payment to the last survivor of the group was made.

Actuarial Liabilities (continued)

Normal Cost (continued)

By applying the normal cost contribution rate to the present value of salaries expected to be paid in the future, we determine the present value of future normal cost contributions. Future contributions are expected to be made by both the Members and the County. The member contribution rates are determined based upon requirements established in the '37 Act and the actuarial assumptions. Based on these member contribution rates, we determine the present value of future member contributions. We subtract that value from the total future normal cost contributions expected, based on the entry age cost method. The remaining difference is the County's portion of the future normal cost contributions.

Actuarial Accrued Liability

The difference between the present value of all future obligations and the present value of the future normal cost contributions is referred to as the Actuarial Accrued Liability (AAL). The AAL is then compared to the value of assets available to fund benefits, and the difference is referred to as the UAAL. The results for LACERA for all plans are summarized below:

(Dollars in millions)	<u>2008</u>	<u>2007</u>	<u>Percent Change</u>
A. Actuarial present value of all future benefits for contributing members, former contributing members, and their survivors	\$ 52,070	\$ 48,956	6.4%
B. Actuarial present value of total future normal costs for current members	\$ 10,095	\$ 9,453	6.8%
C. Actuarial accrued liability [A-B]	\$ 41,975	\$ 39,503	6.3%
D. Valuation Assets	\$ 39,662	\$ 37,042	7.1%
E. UAAL or Surplus Funding [C-D]	\$ 2,313	\$ 2,461	-6.0%
F. Funded Ratio [D/C]	94.5%	93.8%	0.8%

It is interesting to note the maturity of LACERA's fund. Nearly one-half, 45.6%, of the total actuarial obligation (both accrued and future benefits) is for retired and deferred vested members. Of the \$28.3 billion in obligations for the active members, the cost method allocates about two-thirds to service already rendered. Of course, Plans A-C for general members and Plan A for safety members are no longer open for new employees. To the extent those older plans represent more costly plan benefits, this adds to the weighting for accrued obligations.

**Unfunded Actuarial
Accrued Liability/
Surplus Funding**

The portion allocated to service already rendered or accrued is called the Actuarial Accrued Liability (AAL). The difference between the AAL and the Valuation Assets is called the Unfunded Actuarial Accrued Liability (UAAL). If a UAAL amount exists, it usually results from prior years' benefit or assumption changes and the net effect of accumulated gains and losses. If the County had always contributed the current Normal Cost, if there were no prior benefit or assumption changes and if actual experience exactly matched the actuarial assumptions, the present value of all future Normal Cost contributions would be sufficient to fund all benefits and there would be no UAAL.

The term "fully funded" is often applied to a system in which contributions for everyone at the normal cost rate are sufficient to pay for the benefits of existing employees. More often than not, systems are not fully funded, either because of past benefit improvements that have not been completely paid for or because of actuarial deficiencies that have occurred because experience has not been as favorable as anticipated. Under these circumstances, a UAAL exists, implying that past experience has varied from what was assumed to have occurred based on the current benefit levels and actuarial assumptions.

However, even if a system does not have a positive UAAL, a portion or all of the normal cost contribution payments will need to be continued in order to have sufficient funds to pay future benefits. The use of the term "fully funded" may seem to imply no further contributions are required. Therefore, a better term is a "well-funded" plan. This occurs when the value of the assets equals or exceeds the AAL and the difference can be referred to as the Surplus Funding.

Exhibit 7 shows how the UAAL, or Surplus Funding, was derived for each level of plan benefits. In the Actuarial Balance sheet, the total actuarial liability for all future benefits must be equal to the current and future assets.

The Actuarial Balance Sheet for each plan, as well as its UAAL, or Surplus Funding amount, is based on an estimated allocation of the total LACERA Valuation Assets, as disclosed in Exhibit 7. The allocation is based on the relative value of each plan's employer and member reserves as reported to us by LACERA. These allocations are shown for illustrative purposes only, as the UAAL contribution rates are assumed paid by the County based on the valuation results in aggregate.

Funding Adequacy

A key consideration in determining the adequacy of the funding of LACERA is how the UAAL is being funded. If the UAAL amount is positive, that is, the AAL to be funded is greater than the Valuation Assets, then the UAAL is amortized. Under the Retirement Benefits Enhancement Agreement with the County, any positive amount as of June 30, 2002 through 2008 must be amortized over a rolling 30-year period.

If future experience is more favorable than expected based on the actuarial assumptions, then LACERA may move to a Surplus Funding position. Conversely, if experience is less favorable, a larger UAAL will develop.

Funding Policy

The 1994 Funding Agreement applied to valuations in 1994 through 1998. In 2000, an Interim Funding Policy was adopted as described more fully in Section 3, Assets, and has been applied since then. The current Retirement Benefits Enhancement Agreement applies to the 2002 – 2008 valuations. This valuation reflects the combined funding policy as directed by those agreements.

Analysis of Change in Unfunded Actuarial Accrued Liability

The UAAL, at any date after establishment of a system, is affected by any actuarial gains or losses arising when the actual experience of the system varies from the experience anticipated by the actuarial assumptions used in the valuations. To the extent actual experience, as it develops, differs from that expected according to the assumptions used, so also will the emerging costs differ from the estimated costs.

The funded status of LACERA from 1996 to 2002 remained at approximately 100%. In the two years following this period, the funding level decreased significantly due to losses on the Valuation Assets reflected under the asset-smoothing method. The last four years the funding level has increased due to the recognition of gains under this same smoothing method.

The 2008 actuarial valuation reflects an actuarial experience gain of \$0.08 billion for the fiscal year just ended. The gain was mainly due to a \$0.43 billion gain on actuarial assets. This was largely offset by a loss due to larger than assumed salary increases. The effect of the experience gains and losses on the UAAL or Surplus Funding is shown in Exhibit 8a. In addition to the investment return, some other factors which impacted the liabilities are:

- ✓ **Salary Increases** – Individual salaries for continuing active members increased at a rate greater than the valuation assumption. This resulted in a loss.

**Analysis of Change
in Unfunded
Actuarial Accrued
Liability
(continued)**

- ✓ **Mortality Experience** – An actuarial loss due to mortality generally indicates that retired members are living longer than the current assumption would predict. This year, there was a small gain due to mortality.
- ✓ **Actual CPI versus Assumption** – The CPI used for retiree COLAs was greater than 3%. Thus, all members received increases in their benefits equal to the assumption (3.0% for Plan A, 2.0% for Plans B-D, pro-rated portion of 2.0% for Plan E), and there was no gain or loss due to CPI.
- ✓ **Transfers Between Plans D & E** – 638 members transferred from Plan E to Plan D during the past year. 201 members transferred from Plan D to Plan E. This resulted in a small increase in liabilities.
- ✓ **Court Cases** – LACERA agreed to recalculate benefits for a group of retirees to include the FLSA premium. This change resulted in an increase in liabilities of approximately \$15 million.
- ✓ **Other** – Examples of this are gains and losses from termination, service retirement, disability retirement, death, service purchases, reciprocity, and data revisions.

**Change in Unfunded
Actuarial Accrued
Liability - History**

Exhibit 8b shows the sources of change in the UAAL over the past five valuations. As is generally the case, the biggest source of change is a return on investments that is either greater than or less than the assumption, causing asset gains and losses.

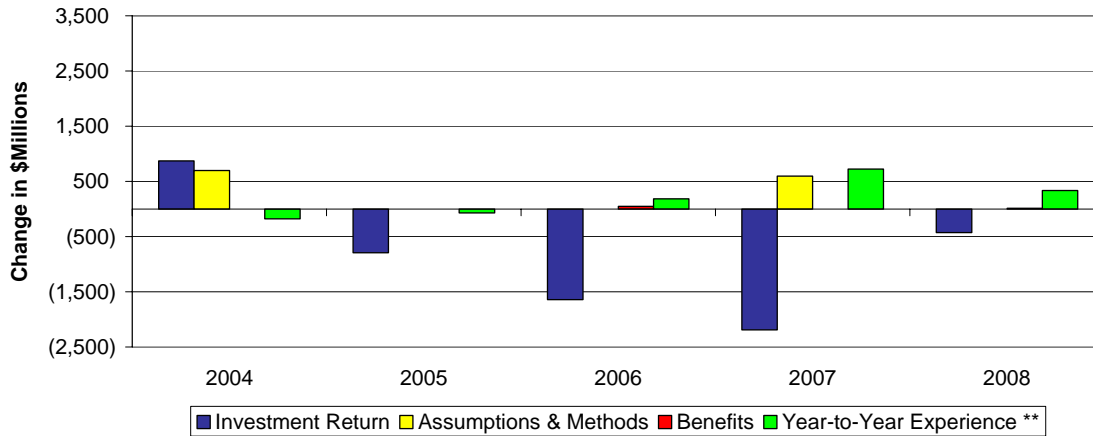
Los Angeles County Employees Retirement Association

Exhibit 8a: Analysis of Change in Unfunded Actuarial Accrued Liability (Dollars in Millions)

	<u>Amount</u>	<u>As a Percent of June 30, 2008 Actuarial Accrued Liability</u>
Unfunded Actuarial Accrued Liability - June 30, 2007	\$ 2,461	5.9%
Increase in UAAL due to new assumptions	-	0.0%
Interest Accrued	191	0.5%
Benefits Accrued (Normal Cost)	990	2.4%
Contributions (with Assumed Interest)		
Employer - Cash	\$ (818)	-1.9%
Employer - Contribution Credit	-	0.0%
Member	(431)	-1.0%
Total	<u>(1,249)</u>	<u>-3.0%</u>
Expected Unfunded Actuarial Acc. Liability - June 30, 2008	\$ 2,393	5.7%
Source of Change		
Asset (Gains) and Losses		
(Gain)/Loss due to investment income	(429)	0.0%
Actuarial (Gains) and Losses		
Salary Increases	\$ 298	0.7%
CPI Less than Expected	-	0.0%
Transfers Between Plan D & Plan E	10	0.0%
Mortality Experience	(51)	-0.1%
All Other Experience	77	0.2%
Total	334	0.8%
Recognition of Liabilities due to Court Cases	15	0.0%
Total Changes	<u>(80)</u>	<u>-0.2%</u>
Unfunded Actuarial Accrued Liability - June 30, 2008	\$ 2,313	5.5%

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**Exhibit 8b: History of Changes in Unfunded Actuarial Accrued Liability
(Dollars in Millions)**



	2004	2005	2006	2007	2008	2004-08
Prior Valuation UAAL / (Surplus)	\$ 3,910	\$ 5,611	\$ 4,878	\$ 3,439	\$ 2,461	\$ 3,910
Increase in UAAL due to:						
Expected Increase / (Decrease)	312	128	(31)	(109)	(68)	232
Asset (Gains) and Losses	871	(790)	(1,642)	(2,187)	(429)	(4,177)
Changes in Benefits*			50	-	15	65
Changes in Assumptions	697	-	-	515	-	1,212
Changes in Methods			-	81	-	81
Salary Increases	(270)	(115)	156	673	298	742
CPI Less than Expected	(31)	-	-	-	-	(31)
Transfers Between D & E	15	13	10	4	10	52
Mortality Experience	61	(1)	(22)	(22)	(51)	(35)
All Other Experience	46	32	40	67	77	262
Total Increase / (Decrease)	1,701	(733)	(1,439)	(978)	(148)	(1,597)
Valuation UAAL / (Surplus)	\$ 5,611	\$ 4,878	\$ 3,439	\$ 2,461	\$ 2,313	\$ 2,313
Funded Ratio	82.8%	85.8%	90.5%	93.8%	94.5%	94.5%

* Benefit changes are as follows:
 2006: Benefits due to Bugh and Local 1014 court cases.
 2008: Benefits due to Fire Chief (FLSA) court case.

** Year-to-Year Experience includes changes due to Salary, CPI, Transfers, Mortality and Other Experience.

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Los Angeles County Employees Retirement Association

Section 5: Member Contributions



Normal Contributions

Member contributions are of two types: Normal contributions and cost-of-living contributions.

Normal contributions for each plan are defined in the following sections of the County Employees' Retirement Law:

37 Act		
Plan	Reference	Formula
General A	31621.3	1/240th of FAC at age 55
General B	31621.1	1/120th of FAC at age 55
General C	31621	1/120th of FAC at age 60
General D	31621	1/120th of FAC at age 60
General E	N/A	Plan E is non-contributory
Safety A	31639.5	1/200th of FAC at age 50
Safety B	31639.25	1/100th of FAC at age 50

* FAC = Final Average Compensation

Normal member contributions are determined using the Entry Age Normal Funding Method and the following actuarial assumptions:

1. Expected rate of return on assets
2. Individual salary increase rate (wage growth + merit)
3. Mortality for members on service retirement

Cost-of-Living Contributions

The determination of the member cost-of-living contributions is based on Section 31873 of the County Employees' Retirement Law. This section requires that the cost of this benefit be shared equally between members and the County. Unlike the member normal contributions, these rates are based on the actuarial cost of the benefits and reflect all assumptions used in the valuation of liabilities.

As this is not a triennial valuation, no changes in the member contribution rates (either normal or cost-of-living) are being recommended.

Member Contributions (continued)

Cost-of-Living Contributions (continued)

The cost-of-living contributions, expressed as a percentage of the normal rates, are based on the June 30, 2007 actuarial valuation and are as follows:

General Plan A:	79.57%
General Plan B:	22.29%
General Plan C:	23.97%
General Plan D:	21.97%
Safety Plan A:	101.27%
Safety Plan B:	31.40%

The relative magnitude of these amounts reflects the differences in the normal contribution rates for each plan and the different cost-of-living benefits offered by the different plans.

A sample of the current member contribution rates (normal plus cost-of-living) can be found in Exhibit 9.

Full disclosure of the member rates, showing both the normal and the total (normal plus cost-of-living) contribution rates, can be found in Appendix D.

Los Angeles County Employees Retirement Association

Exhibit 9: Sample Member Contribution Rates

<u>Current Rates (Based on 2007 Valuation)</u>				
	<u>Entry Age</u>	<u>Normal</u>	<u>Cost of Living</u>	<u>Total as a % of Pay</u>
General Members				
Plan A	25	2.90%	2.31%	5.21%
	35	3.56%	2.83%	6.39%
	45	4.32%	3.44%	7.76%
	55	4.63%	3.68%	8.31%
Plan B	25	5.79%	1.29%	7.08%
	35	7.12%	1.59%	8.71%
	45	8.64%	1.93%	10.57%
	55	9.26%	2.06%	11.32%
Plan C	25	4.91%	1.18%	6.09%
	35	6.02%	1.44%	7.46%
	45	7.42%	1.78%	9.20%
	55	8.65%	2.07%	10.72%
Plan D	25	4.91%	1.08%	5.99%
	35	6.02%	1.32%	7.34%
	45	7.42%	1.63%	9.05%
	55	8.65%	1.90%	10.55%
Safety Members				
Plan A	25	4.08%	4.13%	8.21%
	35	4.95%	5.01%	9.96%
	45	5.77%	5.84%	11.61%
	55	5.80%	5.87%	11.67%
Plan B	25	8.16%	2.56%	10.72%
	35	9.89%	3.11%	13.00%
	45	11.54%	3.62%	15.16%
	55	11.59%	3.64%	15.23%

Note: A portion of some of the member contribution rates is paid for ("picked up") by the County and is not considered part of the member's contribution account for refund purposes. Such contributions are referred to as the surcharge amount and are subject to change each year. The rates shown in the table are prior to any surcharge payments.

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Los Angeles County Employees Retirement Association

Section 6: County Contributions



Contributions to LACERA are determined using the Entry Age Normal Cost Funding Method. The portion of the actuarial present value of retirement benefits allocated to a valuation year by the Actuarial Cost Method is called the Normal Cost. These amounts are usually expressed as a percentage of payroll and called the Normal Cost Contribution Rate. Exhibit 10 illustrates the Normal Cost Rates by type of benefit and for each plan based on this valuation. A comparison with last year is also shown.

During the fiscal year 1994-1995, a Retirement Association Funding Agreement was negotiated with the County. This agreement resulted in the issuance of approximately \$2 billion in Pension Obligation Bonds, the proceeds of which were used to fund the UAAL of the Association. The agreement also allowed that surplus earnings on Association assets for the period July 1, 1994 through June 30, 1998 would be split between the County (75%) and the STAR program (25%). Those excess earnings were used to create the County Contribution Credit Reserve, which can be used by the County to meet its required contribution requirement without adding in new cash deposits to the fund.

Under the 1994 Funding Agreement, the County's contribution rate is set equal to the County's portion of the Normal Cost contribution not payable by the member contributions and some payment towards the UAAL, but only under certain conditions. From 1995 to 2001, no UAAL contributions were required and the County contributed only their portion of the Normal Cost contribution. Under the new 2002 Retirement Benefits Enhancement Agreement, the County must pay the Normal Cost contribution adjusted for a portion of either a positive UAAL or a positive Surplus Funding.

The total calculated County contribution rates for each plan, along with a comparison to the prior year's computed rates, can be found in Exhibit 11. These results are expressed as a percentage of payroll and annual contribution dollars. Note that LACERA's UAAL contribution rate is not determined separately for each plan, but is funded evenly as a percentage of pay over salaries for all members. The total County contribution rate was 12.40% for the fiscal year beginning in 2008.

For the fiscal year beginning in 2009, the required rate decreased to 12.08%. This is equal to the net aggregate calculated normal cost contribution rate, of 10.09% based on the 2008 Valuation, plus a 30-year amortization payment of the UAAL.

County Contributions (continued)

County Contribution Rate

(All values as a % of Payroll)

County Normal Cost	10.09%
30-year Amortization of UAAL	<u>1.99</u>
Total County Contribution	12.08%

The 0.32% decrease in the total County contribution rate was primarily due to the investment gains which caused a 0.24% decrease in the UAAL rate. This was somewhat offset by increases in the contribution rate due to salary increases that exceeded the assumption. The UAAL rate reflects a 30-year amortization from the valuation date and the one-year deferral in the implementation of the new County contribution rate effective July 1, 2009.

The change in the calculated normal cost contribution rates from year-to-year is generally due to two factors. These factors are listed in order of magnitude (i.e., experience had the greatest impact this year):

- (1) Experience:** Normal experience from year-to-year, reflecting differences in both the weighting between membership groups and in their characteristics, as well as on what was assumed to occur during the past fiscal year and what actually occurred, particularly with respect to salary increases. Based on current plan provisions, the aggregate normal cost rate is expected to decrease as a greater number of members are covered by General Plans D and E and Safety B. Additionally, as members transfer between Plan D and Plan E, this will also have an impact.
- (2) Contribution Shut-Off:** For general members hired prior to April 1973 and all safety members, member contributions are not collected after the member has 30 years of service. Therefore, the member contributions towards the total annual normal cost is zero, resulting in a sizable increase for in the County's share of the normal cost contributions for the years when the member has more than 30 years of service. The County's share of the normal cost rates for those groups can be expected to increase rather than remain level, as otherwise expected under the entry age cost method. As most general members hired prior to April 1973 have now attained 30 years of service, this statement applies mainly to safety groups.

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Exhibit 10: Calculated Normal Cost Contribution Rates – June 30, 2008

A. Normal Cost Contribution Rate	General						Safety			Grand Total
	Plan A	Plan B	Plan C	Plan D	Plan E	Total	Plan A	Plan B	Total	
Service Retirement	15.74%	13.46%	11.98%	12.37%	7.84%	10.96%	12.21%	12.04%	12.04%	11.17%
Disability Retirement	1.08%	0.97%	0.92%	1.48%	0.00%	0.96%	13.54%	12.69%	12.72%	3.26%
Death	0.38%	0.36%	0.34%	0.49%	0.00%	0.32%	0.31%	0.29%	0.29%	0.31%
Termination (No Refund)	0.42%	0.31%	0.29%	0.67%	0.62%	0.64%	0.52%	0.58%	0.58%	0.63%
Refund of Member Contributions	0.09%	0.12%	0.11%	0.48%	0.00%	0.30%	0.26%	0.38%	0.38%	0.31%
Total	17.71%	15.22%	13.64%	15.49%	8.46%	13.18%	26.84%	25.98%	26.01%	15.68%
B. Member Contributions	(3.05)%	(6.59)%	(5.75)%	(7.00)%	0.00%	(4.47)%	(1.10)%	(10.56)%	(10.22)%	(5.59)%
C. Net County Normal Cost as of June 30, 2008 (A) - (B)	14.66%	8.63%	7.89%	8.49%	8.46%	8.71%	25.74%	15.42%	15.79%	10.09%
D. Net County Normal Cost as of June 30, 2007	14.77%	8.55%	7.98%	8.55%	8.43%	8.77%	25.82%	15.36%	15.86%	10.16%
E. Increase (Decrease) as a Percentage of Payroll (C) - (D)	(0.11)%	0.08%	(0.09)%	(0.06)%	0.03%	(0.06)%	(0.08)%	0.06%	(0.07)%	(0.07)%



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Los Angeles County Employees Retirement Association

Exhibit 11: Total County Contributions

	General						Safety			All Plans
	Plan A	Plan B	Plan C	Plan D	Plan E	Total	Plan A	Plan B	Total	
A. Net County Normal Cost										
1. Basic Benefits	10.21%	6.84%	6.51%	7.15%	7.13%	7.25%	14.99%	12.52%	12.60%	8.69%
2. Cost-of-Living Benefits	4.45%	1.79%	1.38%	1.34%	1.33%	1.46%	10.75%	2.90%	3.19%	1.40%
3. Total June 30, 2008	14.66%	8.63%	7.89%	8.49%	8.46%	8.71%	25.74%	15.42%	15.79%	10.09%
B. UAAL Contribution Rate	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%
C. Total June 30, 2008 Contribution Rate (A) + (B)	16.65%	10.62%	9.88%	10.48%	10.45%	10.70%	27.73%	17.41%	17.78%	12.08%
D. Total June 30, 2007 Contribution Rate	17.01%	10.79%	10.22%	10.77%	10.67%	11.01%	28.06%	17.60%	18.10%	12.40%
E. Estimated Payroll for fiscal year beginning July 1, 2009*	\$ 196	\$ 28	\$ 21	\$ 3,209	\$ 1,777	\$ 5,231	\$ 47	\$ 1,229	\$ 1,276	\$ 6,507
F. Estimated Annual Contribution (C x E)	\$ 33	\$ 3	\$ 2	\$ 336	\$ 186	\$ 560	\$ 13	\$ 214	\$ 227	\$ 787
G. Last Year's Estimated Annual Contribution	\$ 39	\$ 3	\$ 2	\$ 316	\$ 183	\$ 542	\$ 17	\$ 200	\$ 217	\$ 759
H. Increase / (Decrease) in Annual Contribution	\$ (6)	\$ -	\$ -	\$ 20	\$ 3	\$ 18	\$ (4)	\$ 14	\$ 10	\$ 28

* Estimated Payroll based upon annualized salary rate as of June 30, 2008 increased by 4.00% wage inflation. Dollar figures in millions.

Los Angeles County Employees Retirement Association

Section 7: Accounting Information



GASB reporting standards are required for defined benefit pension plan reporting and disclosures (Statement No. 25). The reporting requirements for Statement No. 25 include certain supplementary information that must be added to the financial statements. These include:

- (1) A Schedule of Funding Progress
- (2) A Schedule of Employer Contributions

The Schedule of Funding Progress, Exhibit 12, compares actuarial assets and liabilities of the System, based on the actuarial funding method used. The required Schedule of Employer Contributions, Exhibit 13, compares the employer contributions required based on the actuarial valuation – the actuarial required contribution (ARC) – with the employer contributions actually made. Information shown in this exhibit comes from LACERA's audited financial statements. The ARC must be calculated based on certain parameters required for disclosure purposes.

We believe the actuarial methods and assumptions used in this valuation to determine the employer's contribution for funding purposes satisfy the GASB reporting requirements.

GASB Statement No. 27 is required for pension accounting by state and local governmental employers.

The comparability of the data from year-to-year can be affected by changes in actuarial assumptions, benefit provisions, accounting policies, etc. For example, assumptions were changed in 2007 based on the triennial Investigation of Experience.

Exhibit 14 compares the Actuarial Value of Valuation Assets to the types of Actuarial Accrued Liabilities, applying them first to Active Member contributions, then to retirees and beneficiaries, and then the remaining amount to the Active Members benefits. This is referred to as the Solvency Test. Although not required under GASB, this test is part of the CAFR guidelines specified by the Government Finance Officers Association (GFOA).

Los Angeles County Employees Retirement Association

Exhibit 12: Schedule of Funding Progress (All Dollars In Thousands)

Actuarial Valuation Date	(a) Actuarial Value of Valuation Assets	(b) Actuarial Accrued Liabilities	(b-a) Unfunded Actuarial Accrued Liabilities (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll ⁽¹⁾	[(b-a)/c] UAAL as a Percentage of Covered Payroll
June 30, 1999	\$ 23,536,116	\$ 22,784,706	\$ (751,410)	103.3%	\$ 3,858,090	-19.5%
June 30, 2000	25,426,507	24,720,380	(706,127)	102.9%	4,107,964	-17.2%
June 30, 2001 ⁽²⁾	26,490,000	26,489,976	(24)	100.0%	4,398,443	0.0%
June 30, 2002 ⁽³⁾	28,262,129	28,437,493	175,364	99.4%	4,744,340	3.7%
June 30, 2003	26,564,328	30,474,025	3,909,697	87.2%	4,933,615	79.2%
June 30, 2004 ⁽²⁾	27,089,440	32,700,505	5,611,065	82.8%	4,919,531	114.1%
June 30, 2005	29,497,485	34,375,949	4,878,464	85.8%	4,982,084	97.9%
June 30, 2006	32,819,725	36,258,929	3,439,204	90.5%	5,205,804	66.1%
June 30, 2007 ⁽²⁾	37,041,832	39,502,456	2,460,624	93.8%	5,615,736	43.8%
June 30, 2008	39,662,361	41,975,631	2,313,270	94.5%	6,123,888	37.8%

(1) Covered Payroll includes compensation paid to all active employees on which contributions are calculated, as reported by LACERA. Covered Payroll differs from the Active Member Valuation Payroll shown in Table C-1, which is an annualized compensation of only those members who were active on the actuarial valuation date.

(2) Assumption changes based on triennial Investigation of Experience.

(3) Benefits were enhanced under MOU package.



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**Exhibit 13: Schedule of Contributions from the Employer
(All Dollars In Thousands)**

Fiscal Year Ending	Annual Required Contribution (ARC)	Actual Employer Contributions			Percentage of ARC Contributed
		Cash Payment	Transfer from Reserve Accounts	Total	
6/30/1999	\$ 317,285	\$ 84,226	\$ 248,403	\$ 332,629	105%
6/30/2000	342,060	130,319	211,832	342,151	100%
6/30/2001	390,679	193,650	197,029	390,679	100%
6/30/2002	414,708	258,884	155,824	414,708	100%
6/30/2003	518,922	324,709	194,213	518,922	100%
6/30/2004	521,978	395,062	126,916	521,978	100%
6/30/2005	750,352	527,810	222,542	750,352	100%
6/30/2006	855,531	676,667	179,368	856,035*	100%
6/30/2007	863,626	751,851	111,775	863,626	100%
6/30/2008	788,029	788,029	0	788,029	100%

** Total actual employer contributions differ from the Annual Required Contribution due to transfers from CalPERS and certain adjustments for court cases.*

Los Angeles County Employees Retirement Association

Exhibit 14: Solvency Test (Dollars In Millions)

Actuarial Valuation Date	Actuarial Value of Valuation Assets	Actuarial Accrued Liabilities for			Portion of Actuarial Accrued Liabilities Covered by Assets		
		Active Member Contributions	Retirees and Beneficiaries ⁽¹⁾	Active Members (Employer Financed Portion)			
		(A)	(B)	(C)	(A)	(B)	(C)
June 30, 1999	\$ 23,536	\$ 2,710	\$ 11,863	\$ 8,211	100%	100%	109%
June 30, 2000	25,427	3,190	12,922	8,609	100%	100%	108%
June 30, 2001	26,490	3,320	14,368	8,802	100%	100%	100%
June 30, 2002	28,262	3,596	15,424	9,417	100%	100%	98%
June 30, 2003	26,564	3,790	16,844	9,840	100%	100%	60%
June 30, 2004	27,089	4,042	18,857	9,802	100%	100%	43%
June 30, 2005	29,497	4,308	20,238	9,829	100%	100%	50%
June 30, 2006	32,820	4,628	21,377	10,254	100%	100%	66%
June 30, 2007	37,042	4,852	22,398	12,253	100%	100%	80%
June 30, 2008	39,662	5,279	23,730	12,966	100%	100%	82%

(1) Includes deferred vested members.



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Los Angeles County Employees Retirement Association

Section 8: Supplemental Information



**Cash Flow
Projection**

Exhibits 15a and 15b are a chart and graph that illustrate both the cash flow history for the past 10 years and a projection on the valuation basis for the next 10 years.

Contributions include both employer and member contributions. The table shows that net cash flow has decreased over the last 10 years. It has leveled off somewhat for the past five years, but it is expected to begin to significantly decrease for the next 10 years. This is a typical pattern for a mature retirement system where it is expected that contributions will be less than benefits and that the system will begin drawing on the fund that has been built up over prior years. The projection shows that the negative projected cash flow is expected to more than double in size from 2009 to 2018.

Note that the actual cash contributions since 1998 do not reflect the transfers made between reserve funds, but only cash coming into the System. We are assuming no further transfers, only full cash contributions.

The projected cash flows include contributions, statutory benefits and administrative expenses only. They are based on the actuarial assumptions as stated in Appendix A of this valuation report. The total County contribution rate is assumed to be 12.40% for the first year and 12.08% for the rest of the 10-year projection. The ultimate rate is equal to the required County normal cost rate plus a contribution to finance the UAAL, as calculated in the 2008 valuation. The aggregate member rate is assumed to stay at the calculated rate for June 30, 2008 of 5.59% of payroll. Expenses are based on the expenses for the year ended June 30, 2008, increased annually with the actuarial inflation assumption of 3.5%.

Any increases or reductions in future contribution rates will increase or decrease the net cash flow. The projected cash flows do not include:

- Projected STAR benefits. STAR benefits that were vested as of January 2008 are included.
- Projected benefits payable under certain insurance contracts for a group of retired members. These payments are netted against the total expected retiree benefits.

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Exhibit 15a: Cash Flow History and Projections – Dollars

Plan Year Ending	Cash Flow History		
	Contributions	Benefits & Administrative Expenses ⁽²⁾	Net Cash Flow
1999	\$ 288	\$ 1,024	\$ (736)
2000	329	1,094	(765)
2001	410	1,187	(777)
2002	564	1,276	(712)
2003	559	1,379	(820)
2004	658	1,484	(826)
2005	814	1,601	(787)
2006	973	1,842 ⁽³⁾	(869)
2007	1,100	1,835	(735)
2008	1,203	1,960	(757)

Plan Year Ending	Cash Flow Projections ⁽¹⁾		
	Contributions	Benefits & Administrative Expenses ⁽²⁾	Net Cash Flow
2009	\$ 1,121	\$ 2,105	\$ (984)
2010	1,150	2,216	(1,066)
2011	1,196	2,365	(1,169)
2012	1,244	2,510	(1,266)
2013	1,293	2,658	(1,364)
2014	1,345	2,811	(1,466)
2015	1,399	2,971	(1,572)
2016	1,455	3,138	(1,683)
2017	1,513	3,312	(1,798)
2018	1,574	3,490	(1,917)

⁽¹⁾ Future contributions are assumed to be at the 10.09% normal cost rate plus a UAAL payment of 1.99% after the first year.

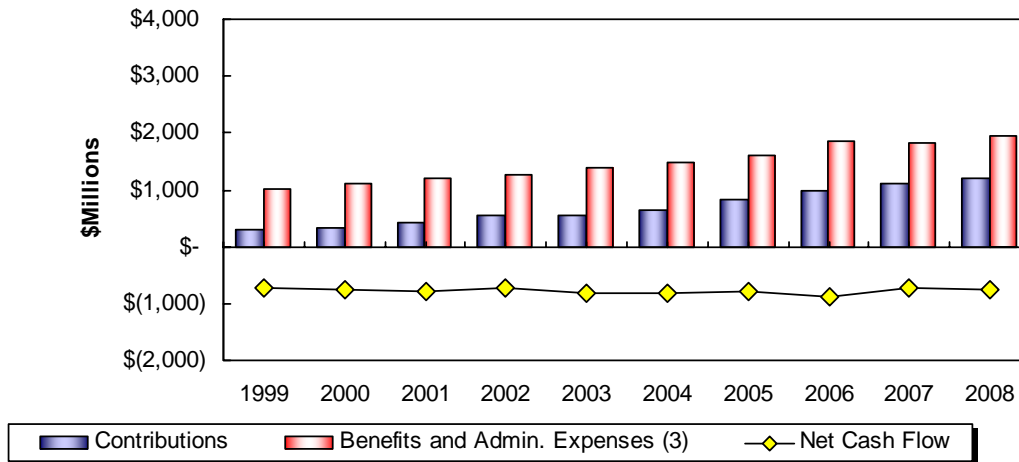
⁽²⁾ Investment expenses are assumed to be covered by investment return.

⁽³⁾ Benefit payments for the Plan Year ending 2006 include approximately \$94 million in retroactive benefit payments pursuant to the Ventura settlement.

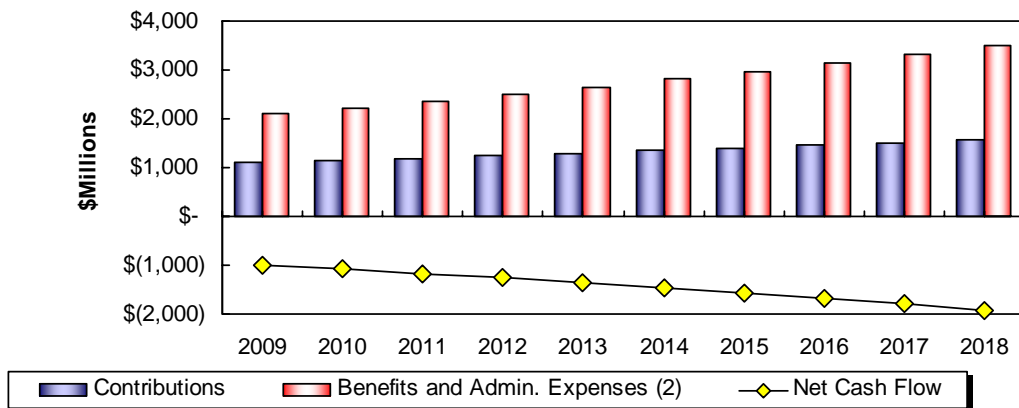
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Exhibit 15b: Cash Flow History and Projections - Charts

Cash Flow History



Cash Flow Projections⁽¹⁾



⁽¹⁾ Future contributions are assumed to be at the 10.09% normal cost rate plus a UAAL payment of 1.99% after the first year.

⁽²⁾ Investment expenses are assumed to be covered by investment return.

⁽³⁾ Benefit payments for the Plan Year ending 2006 include approximately \$94 million in retroactive benefit payments pursuant to the Ventura settlement.

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Appendix A: Actuarial Procedures and Assumptions



The actuarial procedures and assumptions used in this valuation are described in this section. The assumptions were reviewed and changed June 30, 2007 as a result of the 2007 triennial Investigation of Experience Study.

The actuarial assumptions used in the valuations are intended to estimate the future experience of the members of LACERA and of LACERA itself in areas that affect the projected benefit flow and anticipated investment earnings. Any variations in future experience from that expected from these assumptions will result in corresponding changes in the estimated costs of LACERA's benefits.

Table A-1 summarizes the assumptions. The mortality rates are taken from the sources listed.

Tables A-2 and A-3 show how members are expected to leave retired status due to death.

Table A-4 presents the probability of refund of contributions upon termination of employment while vested.

Table A-5 presents the expected annual percentage increase in salaries.

Tables A-6 to A-13 were developed from the experience as measured by the 2007 Investigation of Experience Study. The rates are the probabilities a member will leave the system for various reasons.

Actuarial Cost Method	<p>The actuarial valuation is prepared using the entry age actuarial cost method (CERL 31453.5). Under the principles of this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated as a level percentage of the individual's projected compensation between entry age and assumed exit (until maximum retirement age).</p> <p>For members who transferred between plans, entry age is based on original entry into the system.</p> <p>The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the sum of (a) the actuarial value of the assets, and (b) the actuarial present value of future normal costs is called the Unfunded Actuarial Accrued Liability (UAAL). The UAAL (or Surplus Funding) is amortized as a level percentage of the projected salaries of present and future members of LACERA over a 30-year period from the valuation date, this is commonly referred to as a "rolling 30-year amortization method".</p>
Records and Data	<p>The data used in this valuation consist of financial information and the age, service, and income records for active and inactive members and their survivors. All of the data were supplied by LACERA and are accepted for valuation purposes without audit.</p>
Replacement of Terminated Members	<p>The ages and relative salaries at entry of future members are assumed to follow a new entrant distribution based on the pattern of current members. Under this assumption, the normal cost rates for active members will remain fairly stable in future years unless there are changes in the governing law, the actuarial assumptions or the pattern of the new entrants.</p>
Growth in Membership	<p>For benefit determination purposes, no growth in the membership of LACERA is assumed. For funding purposes, if amortization is required, the total payroll of covered members is assumed to grow due to the combined effects of future wage increases of current active members and the replacement of the current active members by new employees. No growth in the total number of active members is assumed.</p>
Internal Revenue Code Section 415 Limit	<p>The Internal Revenue Code Section 415 maximum benefit limitations are not reflected in the valuation for funding purposes. Any limitation is reflected in a member's benefit after retirement.</p>
Internal Revenue Code Section 401(a)(17)	<p>The Internal Revenue Code Section 401(a)(17) maximum compensation limitation is not reflected in the valuation for funding purposes. Any limitation is reflected in a member's benefit after retirement.</p>

County Contributions	The County contribution rate is set by the Retirement Board based on actuarial valuations.
Member Contributions	<p>The member contribution rates vary by entry age and are described in the law. Code references are shown in Appendix B of the valuation report. The methods and assumptions used are detailed later in this section.</p> <p>The individual member rates by entry age, plan and class are illustrated in Appendix D of the valuation report.</p>
Valuation of Assets	The assets are valued using a three-year smoothed method based on the difference between the expected market value and the actual market value of the assets as of the valuation date. The expected market value is the prior year's market value increased with the net increase in the cash flow of funds, all increased with interest during the past fiscal year at the expected investment return rate assumption. The expected market value, with three-year smoothing valuation basis for all assets was adopted effective June 30, 2000.
Investment Earnings and Expenses	The future investment earnings of the assets of LACERA are assumed to accrue at an annual rate of 7.75% compounded annually, net of both investment and administrative expenses. This rate was adopted June 30, 2004.
Postretirement Benefit Increases	Postretirement increases are assumed for the valuation in accordance with the benefits provided as described in Appendix B. These adjustments are assumed payable each year in the future as they are less than the expected increase in the Consumer Price Index of 3.5% per year. This rate was adopted June 30, 2004.
Interest on Member Contributions	The annual credited interest rate on member contributions is assumed to be 7.75% compounded semi-annually for an annualized rate of 7.90%. This rate was adopted June 30, 2004.
Future Salaries	<p>The rates of annual salary increase assumed for the purpose of the valuation are illustrated in Table A-5. In addition to increases in salary due to promotions and longevity, this scale includes an assumed 4.00% per annum rate of increase in the general wage level of the membership. These rates were adopted June 30, 2007.</p> <p>Increases are assumed to occur mid-year (i.e., January 1st) and only apply to base salary, excluding megaflex compensation. The mid-year timing reflects that salary increases occur throughout the year, or on average mid-year.</p>

**Future Salaries
(Continued)**

For plans with a one-year final average compensation period, actual average annual compensation is used. For Plan E, the monthly rate as of June of the valuation year was annualized. Due to irregular compensation payments now included as pensionable earnings, actual annual pay is preferred over annualizing a single monthly payment amount.

**Social Security Wage
Base**

Plan E members have their benefits offset by an assumed Social Security Benefit. For valuation funding purposes, we need to project the Social Security Benefit. We assume the current Social Security provisions will continue and the annual Wage Base will increase at the rate of 4.00% per year. Note, statutory provisions describe exactly how to compute the offset for purposes of determining a member's offset amount at time of termination or retirement. This rate was adopted June 30, 2007.

Note that it is assumed all Plan E members born after 1950 have less than 10 years of Social Security-covered service and, therefore, do not have their benefit offset.

Retirement

After members attain age 50 (55 for Plan E members) and have ten years of service, they may retire with a benefit commencing immediately. All members, except Plan E members, may also retire regardless of age after 20 years of service for safety members and after 30 years of service for general members. The retirement rates vary by age and are shown by plan in Tables A-6 through A-13.

All general members who attain or who have attained age 75 in active service and all safety members who have attained age 60 in active service are assumed to retire immediately.

All deferred vested members are assumed to retire at the later of age 50 and earliest eligibility, except for Plan E who are assumed to retire at age 65.

The assumptions regarding termination of employment, early retirement, and unreduced service retirement are treated as a single set of decrements in regards to a particular member. For example, a general member hired at age 30 has a probability to withdraw from LACERA due to death, disability or *other termination of employment* until age 50. After age 50, the member could still withdraw due to death, disability or *retirement*. Thus, in no year during the member's projected employment would they be eligible for both a probability of other termination of employment and a probability of retirement.

The retirement probabilities were adopted June 30, 2007.

Disablement

The rates of disablement used in the valuation are also illustrated in Tables A-6 through A-13. These rates were adopted June 30, 2007.

**Post-Retirement
Mortality – Other
Than Disabled
Members**

The same post-retirement mortality rates are used in the valuation for active members, members retired for service, and beneficiaries. These rates are illustrated in Table A-2. Current beneficiary mortality is assumed to be the same assumption as healthy members of the same sex. Future beneficiaries are assumed to be of the opposite sex, and have the same mortality as General members. These rates were adopted June 30, 2004.

Males General members: RP-2000 Combined Mortality Table for Males, with ages set back two years.
Safety members: RP-2000 Combined Mortality Table for Males, with ages set back three years.

Females General members: RP-2000 Combined Mortality Table for Females, with ages set back two years.
Safety members: RP-2000 Combined Mortality Table for Females, with ages set back two years.

**Post-Retirement
Mortality – Disabled
Members**

For disabled members, the mortality rates used in the valuation rates are illustrated in Table A-3. These rates were adopted June 30, 2007.

Males General members: RP-2000 Combined Mortality Table for Males, with ages set forward one year.
Safety members: RP-2000 Combined Mortality Table for Males, with ages set back two years.

Females General members: RP-2000 Combined Mortality Table for Females with no age adjustment.
Safety members: RP-2000 Combined Mortality Table for Females with ages set back two years.

**Mortality while in
Active Status**

For active members, the mortality rates used in the valuation rates are illustrated in Tables A-6 through A-13. These rates were adopted June 30, 2007.

Class	Sex	Mortality Table	Adjustment
General	Male	RP2000 Employee Male	+0
General	Female	RP2000 Employee Female	-1
Safety	Male	RP2000 Employee Male	-9
Safety	Female	RP2000 Employee Female	-1

**Other Employment
Terminations**

Tables A-6 to A-13 show, for all ages, the rates assumed in this valuation for future termination from active service other than for death, disability or retirement. These rates do not apply to members eligible for service retirement. These rates were adopted June 30, 2007.

Terminating employees may withdraw their contributions immediately upon termination of employment and forfeit the right to further benefits, or they may leave their contributions with LACERA. Former contributing members whose contributions are on deposit may later elect to receive a refund, may return to work or may remain inactive until becoming eligible to receive a retirement benefit under either LACERA or a reciprocal retirement system. All terminating members who are not eligible for vested benefits are assumed to withdraw their contributions immediately.

All terminating members are assumed to not be rehired. Table A-4 gives the assumed probabilities that vested members will withdraw their contributions and elect a refund immediately upon termination and the probability the remaining members will elect a deferred vested benefit. All non-vested members are assumed to elect a refund and withdraw their contributions. These rates were adopted June 30, 2007.

**Probability of Eligible
Survivors**

For members not currently in pay status, 82% of all males and 65% of all females are assumed to have eligible survivors (spouses or qualified domestic partners). Survivors are assumed to be four years younger than male members and four years older than female members. Survivors are assumed to be of the opposite sex as the member. There is no explicit assumption for children's benefits. We believe the survivor benefits based on this assumption are sufficient to cover children's benefits as they occur.

**Valuation of Vested
Terminated Members**

The deferred retirement benefit is calculated based on the member's final compensation and service at termination. The compensation amount is projected until the assumed retirement age for members who are assumed to be employed by a reciprocal agency. For members who are missing compensation data, Final Compensation is estimated as the average amount for all members who terminated during the same year and had a valid compensation amount.

**Reciprocal
Employment**

15% of General and 35% of Safety current and future deferred vested members are assumed to work for a reciprocal employer. Current vested reciprocal members are assumed to receive annual salary increases of 5%. Future reciprocal vested members are assumed to receive the same salary increases they would have received if they had stayed in active employment with LACERA and retired at the assumed retirement age.

**Valuation of Annuity
Purchases**

Over 30 years ago, LACERA purchased single life annuities from two insurance companies for some retired members (currently less than 5% of the retired population). The total liability for these members is calculated and then offset by the expected value of the benefit to be paid by the insurance companies.

For affected members, the insurance companies are responsible for:

- (1) Straight life annuity payments
- (2) Statutory COLAs

LACERA is responsible for:

- (1) Benefit payments payable to any beneficiary
- (2) STAR COLAs

**Member Contribution
Rate Assumptions**

The following assumptions summarize the procedures used to compute member contribution rates based on entry age:

In general, the member rate is determined by the present value of the future benefit (PVFB) payable at retirement age, divided by the present value of all future salaries payable between age at entry and retirement age. For these purposes, per the CERL, the:

- A. Annuity factor used for general members is based on a 40% / 60% blend of the male and female annuity factors using current valuation assumptions. For Safety members it is based on a 90% / 10% blend of the male and female annuity factors using current valuation assumptions.
- B. The annuity factor used in determining the present value of future benefits (PVFB) at entry age is equal to the life only annuity factor at 7.75%.
- C. The Final Compensation is based on the salary paid in the year prior to attaining the retirement age.
Example: For a Plan C Member who enters at age 59 or earlier, the Final Compensation at retirement (age 60) will be the monthly average of the annual salaries during age 59.
- D. Member Rates are assumed to increase with entry age. There are a few exceptions at the higher entry ages where the calculated rate is less than the previous entry age (for example, age 53 for General A). In these cases the member contribution rate is adjusted so that it is no less than the value for the previous entry age.

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Table A-1: Summary of Valuation Assumptions as of June 30, 2007

I.	Economic assumptions													
A.	General wage increases	4.00%												
B.	Investment earnings	7.75%												
C.	Growth in membership	0.00%												
D.	Post-retirement benefit increases (varies by plan)	Plan COLA not greater than CPI assumption.												
E.	CPI inflation assumption	3.50%												
II.	Demographic assumptions													
A.	Salary increases due to service	Table A-5												
B.	Retirement	Tables A-6 to A-13												
C.	Disablement	Tables A-6 to A-13												
D.	Mortality during active employment	Tables A-6 to A-13												
E.	Mortality for active members after termination and service retired members	Table A-2												
	Basis – RP-2000 Combined Mortality Table for respective sexes for general members, as adjusted:													
	<table><tr><td></td><td>Age</td></tr><tr><td><u>Class of Members</u></td><td><u>Adjustment</u></td></tr><tr><td>General – males</td><td>-2 years</td></tr><tr><td>General – females</td><td>-2 years</td></tr><tr><td>Safety – males</td><td>-3 years</td></tr><tr><td>Safety – females</td><td>-2 years</td></tr></table>		Age	<u>Class of Members</u>	<u>Adjustment</u>	General – males	-2 years	General – females	-2 years	Safety – males	-3 years	Safety – females	-2 years	
	Age													
<u>Class of Members</u>	<u>Adjustment</u>													
General – males	-2 years													
General – females	-2 years													
Safety – males	-3 years													
Safety – females	-2 years													
F.	Mortality among disabled members	Table A-3												
	Basis – RP-2000 Combined Mortality Table, as adjusted:													
	<table><tr><td>General – males</td><td>+1 year</td></tr><tr><td>General – females</td><td>0 years</td></tr><tr><td>Safety – males</td><td>-2 years</td></tr><tr><td>Safety – females</td><td>-2 years</td></tr></table>	General – males	+1 year	General – females	0 years	Safety – males	-2 years	Safety – females	-2 years					
General – males	+1 year													
General – females	0 years													
Safety – males	-2 years													
Safety – females	-2 years													
G.	Mortality for beneficiaries	Table A-2												
	Basis – Beneficiaries are assumed to have the same mortality as a general member of the opposite sex who has taken a service retirement.													
H.	Other terminations of employment	Tables A-6 to A-13												
I.	Refund of contributions on vested termination	Table A-4												

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Table A-2: Mortality for Members Retired for Service

Age	Safety Male	Safety Female	General Male	General Female
20	0.030%	0.019%	0.032%	0.019%
25	0.037%	0.020%	0.037%	0.020%
30	0.038%	0.023%	0.039%	0.023%
35	0.056%	0.039%	0.063%	0.039%
40	0.090%	0.060%	0.096%	0.060%
45	0.122%	0.094%	0.130%	0.094%
50	0.173%	0.143%	0.186%	0.143%
55	0.267%	0.221%	0.292%	0.221%
60	0.469%	0.392%	0.527%	0.392%
65	0.876%	0.765%	1.001%	0.765%
70	1.608%	1.345%	1.787%	1.345%
75	2.728%	2.297%	3.039%	2.297%
80	4.691%	3.760%	5.212%	3.760%
85	8.049%	6.251%	8.972%	6.251%
90	13.604%	10.730%	15.059%	10.730%

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Table A-3: Mortality for Members Retired for Disability

Age	Safety Male	Safety Female	General Male	General Female
20	0.032%	0.019%	0.036%	0.019%
25	0.037%	0.020%	0.038%	0.021%
30	0.039%	0.023%	0.050%	0.026%
35	0.063%	0.039%	0.084%	0.048%
40	0.096%	0.060%	0.114%	0.071%
45	0.130%	0.094%	0.162%	0.112%
50	0.186%	0.143%	0.245%	0.168%
55	0.292%	0.221%	0.420%	0.272%
60	0.527%	0.392%	0.768%	0.506%
65	1.001%	0.765%	1.441%	0.971%
70	1.787%	1.345%	2.457%	1.674%
75	3.039%	2.297%	4.217%	2.811%
80	5.212%	3.760%	7.204%	4.588%
85	8.972%	6.251%	12.280%	7.745%
90	15.059%	10.730%	19.977%	13.168%

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**Table A-4: Immediate Refund of Contributions Upon Termination of Employment
(Excludes Plan E)**

Years of Service	Safety	General
0	100%	100%
1	100%	100%
2	100%	100%
3	100%	100%
4	100%	100%
5	30%	40%
6	30%	40%
7	30%	40%
8	28%	39%
9	26%	38%
10	24%	36%
11	22%	35%
12	20%	34%
13	16%	33%
14	12%	32%
15	8%	30%
16	4%	29%
17	0%	28%
18	0%	26%
19	0%	25%
20	0%	23%
21	0%	22%
22	0%	20%
23	0%	16%
24	0%	12%
25	0%	8%
26	0%	4%
27	0%	0%
28	0%	0%
29	0%	0%
30 & Up	0%	0%

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Table A-5: Annual Increase in Salary*

Years of Service	Due to Promotion and Longevity		Total Annual Increase*	
	General	Safety	General	Safety
<1	6.00%	6.00%	10.24%	10.24%
1	5.25%	5.25%	9.46%	9.46%
2	4.50%	4.50%	8.68%	8.68%
3	3.75%	3.75%	7.90%	7.90%
4	3.00%	3.00%	7.12%	7.12%
5	2.50%	2.50%	6.60%	6.60%
6	2.00%	2.00%	6.08%	6.08%
7	1.75%	1.75%	5.82%	5.82%
8	1.50%	1.50%	5.56%	5.56%
9	1.30%	1.30%	5.35%	5.35%
10	1.15%	1.15%	5.20%	5.20%
11	1.00%	1.00%	5.04%	5.04%
12	0.85%	0.85%	4.88%	4.88%
13	0.70%	0.70%	4.73%	4.73%
14	0.60%	0.60%	4.62%	4.62%
15	0.50%	0.50%	4.52%	4.52%
16	0.40%	0.50%	4.42%	4.52%
17	0.35%	0.50%	4.36%	4.52%
18	0.30%	0.50%	4.31%	4.52%
19	0.25%	0.50%	4.26%	4.52%
20 or More	0.25%	0.50%	4.26%	4.52%

* The total expected increase in salary includes both merit (shown above) and the general wage increase assumption of 4.00% per annum. The total result is compound rather than additive. For example, the total increase to service less than one year is 10.24%.

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Appendix A: Rates of Separation From Active Service Tables A-6 to A-13

A schedule of the probabilities of termination of employment due to the following causes can be found on the following pages:

Service Retirement:	Member retires after meeting age and service requirements for reasons other than disability.
Withdrawal:	Member terminates and elects a refund of member contributions, or a deferred vested retirement benefit.
Service Disability:	Member receives disability retirement; disability is service related.
Ordinary Disability:	Member receives disability retirement; disability is not service related.
Service Death:	Member dies before retirement; death is service related.
Ordinary Death:	Member dies before retirement; death is not service related.

Each rate represents the probability that a member will separate from service at each age due to the particular cause. For example, a rate of 0.0300 for a member's service retirement at age 50 means we assume that 30 out of 1,000 members who are age 50 will retire at that age.

Each table represents the detailed rates needed for each LACERA plan by sex:

Table A-6: General Plan A, B & C Males	A-10: General Plan E Males
A-7: General Plan A, B & C Females	A-11: General Plan E Females
A-8: General Plan D Males	A-12: Safety Plan A & B Males
A-9: General Plan D Females	A-13: Safety Plan A & B Females

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**Table A-6: Rate of Separation From Active Service For General Members
Plans A, B & C - Male**

Age	Service Retirement	Other Terminations	Service Disability	Ordinary Disability	Service Death	Ordinary Death
18	0.0000	0.0050	0.0002	0.0001	N/A	0.0003
19	0.0000	0.0050	0.0002	0.0001	N/A	0.0003
20	0.0000	0.0050	0.0002	0.0001	N/A	0.0003
21	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
22	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
23	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
24	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
25	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
26	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
27	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
28	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
29	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
30	0.0000	0.0050	0.0002	0.0001	N/A	0.0004
31	0.0000	0.0050	0.0002	0.0001	N/A	0.0005
32	0.0000	0.0050	0.0002	0.0001	N/A	0.0006
33	0.0000	0.0050	0.0003	0.0001	N/A	0.0006
34	0.0000	0.0050	0.0003	0.0001	N/A	0.0007
35	0.0000	0.0050	0.0004	0.0001	N/A	0.0008
36	0.0000	0.0050	0.0004	0.0002	N/A	0.0008
37	0.0000	0.0050	0.0005	0.0001	N/A	0.0009
38	0.0000	0.0050	0.0006	0.0002	N/A	0.0010
39	0.0000	0.0050	0.0006	0.0002	N/A	0.0010
40	0.0300	0.0050	0.0006	0.0002	N/A	0.0011
41	0.0300	0.0050	0.0007	0.0003	N/A	0.0011
42	0.0300	0.0050	0.0008	0.0003	N/A	0.0012
43	0.0300	0.0050	0.0009	0.0003	N/A	0.0013
44	0.0300	0.0050	0.0010	0.0004	N/A	0.0014
45	0.0300	0.0050	0.0011	0.0004	N/A	0.0015
46	0.0300	0.0050	0.0012	0.0005	N/A	0.0016
47	0.0300	0.0050	0.0013	0.0005	N/A	0.0017
48	0.0300	0.0050	0.0014	0.0005	N/A	0.0019
49	0.0300	0.0050	0.0016	0.0006	N/A	0.0020
50	0.0300	0.0050	0.0017	0.0006	N/A	0.0021
51	0.0300	0.0050	0.0018	0.0007	N/A	0.0023
52	0.0300	0.0050	0.0020	0.0008	N/A	0.0024
53	0.0300	0.0050	0.0022	0.0008	N/A	0.0026
54	0.0500	0.0050	0.0025	0.0009	N/A	0.0028
55	0.0800	0.0050	0.0027	0.0010	N/A	0.0030
56	0.1000	0.0050	0.0030	0.0011	N/A	0.0033
57	0.1400	0.0050	0.0032	0.0012	N/A	0.0036
58	0.1800	0.0050	0.0036	0.0013	N/A	0.0040
59	0.2000	0.0050	0.0040	0.0015	N/A	0.0044
60	0.2200	0.0050	0.0044	0.0016	N/A	0.0049
61	0.2500	0.0050	0.0048	0.0018	N/A	0.0054
62	0.3500	0.0050	0.0052	0.0019	N/A	0.0059
63	0.2500	0.0050	0.0052	0.0024	N/A	0.0065
64	0.2500	0.0050	0.0052	0.0029	N/A	0.0070
65	0.3000	0.0050	0.0052	0.0034	N/A	0.0076
66	0.2400	0.0050	0.0052	0.0039	N/A	0.0081
67	0.2400	0.0050	0.0052	0.0044	N/A	0.0086
68	0.2400	0.0050	0.0052	0.0049	N/A	0.0091
69	0.2400	0.0050	0.0052	0.0054	N/A	0.0095
70	0.3000	0.0050	0.0052	0.0059	N/A	0.0099
71	0.3000	0.0050	0.0052	0.0064	N/A	0.0104
72	0.3000	0.0050	0.0052	0.0069	N/A	0.0112
73	0.3000	0.0050	0.0052	0.0074	N/A	0.0123
74	0.3000	0.0050	0.0052	0.0079	N/A	0.0137
75	1.0000	0.0000	0.0000	0.0084	N/A	0.0151

Los Angeles County Employees Retirement Association

**Table A-7: Rate of Separation From Active Service For General Members
Plans A, B & C - Female**

Age	Service Retirement	Other Terminations	Service Disability	Ordinary Disability	Service Death	Ordinary Death
18	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
19	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
20	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
21	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
22	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
23	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
24	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
25	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
26	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
27	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
28	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
29	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
30	0.0000	0.0050	0.0002	0.0001	N/A	0.0002
31	0.0000	0.0050	0.0002	0.0001	N/A	0.0003
32	0.0000	0.0050	0.0002	0.0001	N/A	0.0003
33	0.0000	0.0050	0.0003	0.0001	N/A	0.0003
34	0.0000	0.0050	0.0003	0.0001	N/A	0.0004
35	0.0000	0.0050	0.0004	0.0001	N/A	0.0004
36	0.0000	0.0050	0.0004	0.0002	N/A	0.0005
37	0.0000	0.0050	0.0005	0.0001	N/A	0.0005
38	0.0000	0.0050	0.0006	0.0002	N/A	0.0006
39	0.0000	0.0050	0.0006	0.0002	N/A	0.0006
40	0.0300	0.0050	0.0006	0.0002	N/A	0.0006
41	0.0300	0.0050	0.0007	0.0003	N/A	0.0007
42	0.0300	0.0050	0.0008	0.0003	N/A	0.0008
43	0.0300	0.0050	0.0009	0.0003	N/A	0.0009
44	0.0300	0.0050	0.0010	0.0004	N/A	0.0009
45	0.0300	0.0050	0.0011	0.0004	N/A	0.0010
46	0.0300	0.0050	0.0012	0.0005	N/A	0.0011
47	0.0300	0.0050	0.0013	0.0005	N/A	0.0012
48	0.0300	0.0050	0.0014	0.0006	N/A	0.0013
49	0.0300	0.0050	0.0014	0.0006	N/A	0.0014
50	0.0300	0.0050	0.0016	0.0006	N/A	0.0016
51	0.0300	0.0050	0.0017	0.0007	N/A	0.0017
52	0.0300	0.0050	0.0018	0.0008	N/A	0.0018
53	0.0300	0.0050	0.0019	0.0009	N/A	0.0020
54	0.0500	0.0050	0.0020	0.0010	N/A	0.0021
55	0.0800	0.0050	0.0022	0.0011	N/A	0.0023
56	0.1000	0.0050	0.0022	0.0011	N/A	0.0025
57	0.1400	0.0050	0.0024	0.0012	N/A	0.0028
58	0.1800	0.0050	0.0027	0.0014	N/A	0.0030
59	0.2000	0.0050	0.0030	0.0015	N/A	0.0033
60	0.2200	0.0050	0.0034	0.0017	N/A	0.0036
61	0.2500	0.0050	0.0037	0.0019	N/A	0.0039
62	0.3500	0.0050	0.0040	0.0020	N/A	0.0043
63	0.2500	0.0050	0.0043	0.0022	N/A	0.0047
64	0.2500	0.0050	0.0047	0.0024	N/A	0.0050
65	0.3000	0.0050	0.0051	0.0026	N/A	0.0054
66	0.2400	0.0050	0.0056	0.0028	N/A	0.0058
67	0.2400	0.0050	0.0061	0.0030	N/A	0.0062
68	0.2400	0.0050	0.0066	0.0032	N/A	0.0066
69	0.2400	0.0050	0.0072	0.0034	N/A	0.0069
70	0.3000	0.0050	0.0072	0.0036	N/A	0.0073
71	0.3000	0.0050	0.0072	0.0038	N/A	0.0076
72	0.3000	0.0050	0.0072	0.0040	N/A	0.0079
73	0.3000	0.0050	0.0072	0.0042	N/A	0.0085
74	0.3000	0.0050	0.0072	0.0044	N/A	0.0093
75	1.0000	0.0000	0.0000	0.0046	N/A	0.0103

Los Angeles County Employees Retirement Association

**Table A-8: Rate of Separation From Active Service For General Members
Plan D - Male**

Age	Service Retirement	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	0.0002	0.0001	N/A	0.0003	0	0.0900
19	0.0000	0.0002	0.0001	N/A	0.0003	1	0.0650
20	0.0000	0.0002	0.0001	N/A	0.0003	2	0.0500
21	0.0000	0.0002	0.0001	N/A	0.0004	3	0.0400
22	0.0000	0.0002	0.0001	N/A	0.0004	4	0.0300
23	0.0000	0.0002	0.0001	N/A	0.0004	5	0.0283
24	0.0000	0.0002	0.0001	N/A	0.0004	6	0.0267
25	0.0000	0.0002	0.0001	N/A	0.0004	7	0.0250
26	0.0000	0.0002	0.0001	N/A	0.0004	8	0.0236
27	0.0000	0.0002	0.0001	N/A	0.0004	9	0.0222
28	0.0000	0.0002	0.0001	N/A	0.0004	10	0.0208
29	0.0000	0.0002	0.0001	N/A	0.0004	11	0.0194
30	0.0000	0.0002	0.0001	N/A	0.0004	12	0.0180
31	0.0000	0.0002	0.0001	N/A	0.0005	13	0.0168
32	0.0000	0.0002	0.0001	N/A	0.0006	14	0.0156
33	0.0000	0.0003	0.0001	N/A	0.0006	15	0.0144
34	0.0000	0.0003	0.0001	N/A	0.0007	16	0.0132
35	0.0000	0.0004	0.0001	N/A	0.0008	17	0.0120
36	0.0000	0.0004	0.0002	N/A	0.0008	18	0.0112
37	0.0000	0.0005	0.0001	N/A	0.0009	19	0.0104
38	0.0000	0.0006	0.0002	N/A	0.0010	20	0.0096
39	0.0000	0.0006	0.0002	N/A	0.0010	21	0.0088
40	0.0200	0.0006	0.0002	N/A	0.0011	22	0.0080
41	0.0200	0.0007	0.0003	N/A	0.0011	23	0.0076
42	0.0200	0.0008	0.0003	N/A	0.0012	24	0.0072
43	0.0200	0.0009	0.0003	N/A	0.0013	25	0.0068
44	0.0200	0.0010	0.0004	N/A	0.0014	26	0.0064
45	0.0200	0.0011	0.0004	N/A	0.0015	27	0.0060
46	0.0200	0.0012	0.0005	N/A	0.0016	28	0.0060
47	0.0200	0.0013	0.0005	N/A	0.0017	29	0.0060
48	0.0200	0.0014	0.0005	N/A	0.0019	30 & Above	0.0000
49	0.0200	0.0016	0.0006	N/A	0.0020		
50	0.0200	0.0017	0.0006	N/A	0.0021		
51	0.0200	0.0018	0.0007	N/A	0.0023		
52	0.0200	0.0020	0.0008	N/A	0.0024		
53	0.0200	0.0022	0.0008	N/A	0.0026		
54	0.0200	0.0025	0.0009	N/A	0.0028		
55	0.0250	0.0027	0.0010	N/A	0.0030		
56	0.0250	0.0030	0.0011	N/A	0.0033		
57	0.0300	0.0032	0.0012	N/A	0.0036		
58	0.0400	0.0036	0.0013	N/A	0.0040		
59	0.0600	0.0040	0.0015	N/A	0.0044		
60	0.0600	0.0044	0.0016	N/A	0.0049		
61	0.0700	0.0048	0.0018	N/A	0.0054		
62	0.1000	0.0052	0.0019	N/A	0.0059		
63	0.0900	0.0052	0.0024	N/A	0.0065		
64	0.1500	0.0052	0.0029	N/A	0.0070		
65	0.2400	0.0052	0.0034	N/A	0.0076		
66	0.2000	0.0052	0.0039	N/A	0.0081		
67	0.2000	0.0052	0.0044	N/A	0.0086		
68	0.2000	0.0052	0.0049	N/A	0.0091		
69	0.2000	0.0052	0.0054	N/A	0.0095		
70	0.2500	0.0052	0.0059	N/A	0.0099		
71	0.2500	0.0052	0.0064	N/A	0.0104		
72	0.2500	0.0052	0.0069	N/A	0.0112		
73	0.2500	0.0052	0.0074	N/A	0.0123		
74	0.2500	0.0052	0.0079	N/A	0.0137		
75	1.0000	0.0000	0.0084	N/A	0.0151		

Los Angeles County Employees Retirement Association

**Table A-9: Rate of Separation From Active Service For General Members
Plan D - Female**

Age	Service Retirement	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	0.0002	0.0001	N/A	0.0002	0	0.0900
19	0.0000	0.0002	0.0001	N/A	0.0002	1	0.0650
20	0.0000	0.0002	0.0001	N/A	0.0002	2	0.0500
21	0.0000	0.0002	0.0001	N/A	0.0002	3	0.0400
22	0.0000	0.0002	0.0001	N/A	0.0002	4	0.0300
23	0.0000	0.0002	0.0001	N/A	0.0002	5	0.0283
24	0.0000	0.0002	0.0001	N/A	0.0002	6	0.0267
25	0.0000	0.0002	0.0001	N/A	0.0002	7	0.0250
26	0.0000	0.0002	0.0001	N/A	0.0002	8	0.0236
27	0.0000	0.0002	0.0001	N/A	0.0002	9	0.0222
28	0.0000	0.0002	0.0001	N/A	0.0002	10	0.0208
29	0.0000	0.0002	0.0001	N/A	0.0002	11	0.0194
30	0.0000	0.0002	0.0001	N/A	0.0002	12	0.0180
31	0.0000	0.0002	0.0001	N/A	0.0003	13	0.0168
32	0.0000	0.0002	0.0001	N/A	0.0003	14	0.0156
33	0.0000	0.0003	0.0001	N/A	0.0003	15	0.0144
34	0.0000	0.0003	0.0001	N/A	0.0004	16	0.0132
35	0.0000	0.0004	0.0001	N/A	0.0004	17	0.0120
36	0.0000	0.0004	0.0002	N/A	0.0005	18	0.0112
37	0.0000	0.0005	0.0001	N/A	0.0005	19	0.0104
38	0.0000	0.0006	0.0002	N/A	0.0006	20	0.0096
39	0.0000	0.0006	0.0002	N/A	0.0006	21	0.0088
40	0.0200	0.0006	0.0002	N/A	0.0006	22	0.0080
41	0.0200	0.0007	0.0003	N/A	0.0007	23	0.0076
42	0.0200	0.0008	0.0003	N/A	0.0008	24	0.0072
43	0.0200	0.0009	0.0003	N/A	0.0009	25	0.0068
44	0.0200	0.0010	0.0004	N/A	0.0009	26	0.0064
45	0.0200	0.0011	0.0004	N/A	0.0010	27	0.0060
46	0.0200	0.0012	0.0005	N/A	0.0011	28	0.0060
47	0.0200	0.0013	0.0005	N/A	0.0012	29	0.0060
48	0.0200	0.0014	0.0006	N/A	0.0013	30 & Above	0.0000
49	0.0200	0.0014	0.0006	N/A	0.0014		
50	0.0200	0.0016	0.0006	N/A	0.0016		
51	0.0200	0.0017	0.0007	N/A	0.0017		
52	0.0200	0.0018	0.0008	N/A	0.0018		
53	0.0200	0.0019	0.0009	N/A	0.0020		
54	0.0200	0.0020	0.0010	N/A	0.0021		
55	0.0250	0.0022	0.0011	N/A	0.0023		
56	0.0250	0.0022	0.0011	N/A	0.0025		
57	0.0300	0.0024	0.0012	N/A	0.0028		
58	0.0400	0.0027	0.0014	N/A	0.0030		
59	0.0600	0.0030	0.0015	N/A	0.0033		
60	0.0600	0.0034	0.0017	N/A	0.0036		
61	0.0700	0.0037	0.0019	N/A	0.0039		
62	0.1000	0.0040	0.0020	N/A	0.0043		
63	0.0900	0.0043	0.0022	N/A	0.0047		
64	0.1500	0.0047	0.0024	N/A	0.0050		
65	0.2400	0.0051	0.0026	N/A	0.0054		
66	0.2000	0.0056	0.0028	N/A	0.0058		
67	0.2000	0.0061	0.0030	N/A	0.0062		
68	0.2000	0.0066	0.0032	N/A	0.0066		
69	0.2000	0.0072	0.0034	N/A	0.0069		
70	0.2500	0.0072	0.0036	N/A	0.0073		
71	0.2500	0.0072	0.0038	N/A	0.0076		
72	0.2500	0.0072	0.0040	N/A	0.0079		
73	0.2500	0.0072	0.0042	N/A	0.0085		
74	0.2500	0.0072	0.0044	N/A	0.0093		
75	1.0000	0.0000	0.0046	N/A	0.0103		

Los Angeles County Employees Retirement Association

**Table A-10: Rate of Separation From Active Service For General Members
Plan E - Male**

Age	Service Retirement	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	N/A	N/A	N/A	0.0003	0	0.1500
19	0.0000	N/A	N/A	N/A	0.0003	1	0.0900
20	0.0000	N/A	N/A	N/A	0.0003	2	0.0700
21	0.0000	N/A	N/A	N/A	0.0004	3	0.0550
22	0.0000	N/A	N/A	N/A	0.0004	4	0.0450
23	0.0000	N/A	N/A	N/A	0.0004	5	0.0407
24	0.0000	N/A	N/A	N/A	0.0004	6	0.0363
25	0.0000	N/A	N/A	N/A	0.0004	7	0.0320
26	0.0000	N/A	N/A	N/A	0.0004	8	0.0304
27	0.0000	N/A	N/A	N/A	0.0004	9	0.0288
28	0.0000	N/A	N/A	N/A	0.0004	10	0.0272
29	0.0000	N/A	N/A	N/A	0.0004	11	0.0256
30	0.0000	N/A	N/A	N/A	0.0004	12	0.0240
31	0.0000	N/A	N/A	N/A	0.0005	13	0.0228
32	0.0000	N/A	N/A	N/A	0.0006	14	0.0216
33	0.0000	N/A	N/A	N/A	0.0006	15	0.0204
34	0.0000	N/A	N/A	N/A	0.0007	16	0.0192
35	0.0000	N/A	N/A	N/A	0.0008	17	0.0180
36	0.0000	N/A	N/A	N/A	0.0008	18	0.0174
37	0.0000	N/A	N/A	N/A	0.0009	19	0.0168
38	0.0000	N/A	N/A	N/A	0.0010	20	0.0162
39	0.0000	N/A	N/A	N/A	0.0010	21	0.0156
40	0.0000	N/A	N/A	N/A	0.0011	22	0.0150
41	0.0000	N/A	N/A	N/A	0.0011	23	0.0144
42	0.0000	N/A	N/A	N/A	0.0012	24	0.0138
43	0.0000	N/A	N/A	N/A	0.0013	25	0.0132
44	0.0000	N/A	N/A	N/A	0.0014	26	0.0126
45	0.0000	N/A	N/A	N/A	0.0015	27	0.0120
46	0.0000	N/A	N/A	N/A	0.0016	28	0.0120
47	0.0000	N/A	N/A	N/A	0.0017	29	0.0120
48	0.0000	N/A	N/A	N/A	0.0019	30 & Above	0.0120
49	0.0000	N/A	N/A	N/A	0.0020		
50	0.0000	N/A	N/A	N/A	0.0021		
51	0.0000	N/A	N/A	N/A	0.0023		
52	0.0000	N/A	N/A	N/A	0.0024		
53	0.0000	N/A	N/A	N/A	0.0026		
54	0.0000	N/A	N/A	N/A	0.0028		
55	0.0300	N/A	N/A	N/A	0.0030		
56	0.0300	N/A	N/A	N/A	0.0033		
57	0.0300	N/A	N/A	N/A	0.0036		
58	0.0300	N/A	N/A	N/A	0.0040		
59	0.0350	N/A	N/A	N/A	0.0044		
60	0.0500	N/A	N/A	N/A	0.0049		
61	0.0700	N/A	N/A	N/A	0.0054		
62	0.1000	N/A	N/A	N/A	0.0059		
63	0.0900	N/A	N/A	N/A	0.0065		
64	0.1600	N/A	N/A	N/A	0.0070		
65	0.2500	N/A	N/A	N/A	0.0076		
66	0.1800	N/A	N/A	N/A	0.0081		
67	0.1800	N/A	N/A	N/A	0.0086		
68	0.1800	N/A	N/A	N/A	0.0091		
69	0.1800	N/A	N/A	N/A	0.0095		
70	0.2500	N/A	N/A	N/A	0.0099		
71	0.2500	N/A	N/A	N/A	0.0104		
72	0.2500	N/A	N/A	N/A	0.0112		
73	0.2500	N/A	N/A	N/A	0.0123		
74	0.2500	N/A	N/A	N/A	0.0137		
75	1.0000	N/A	N/A	N/A	0.0151		

Los Angeles County Employees Retirement Association

**Table A-11: Rate of Separation From Active Service For General Members
Plan E - Female**

Age	Service Retirement	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	N/A	N/A	N/A	0.0002	0	0.1500
19	0.0000	N/A	N/A	N/A	0.0002	1	0.0900
20	0.0000	N/A	N/A	N/A	0.0002	2	0.0700
21	0.0000	N/A	N/A	N/A	0.0002	3	0.0550
22	0.0000	N/A	N/A	N/A	0.0002	4	0.0450
23	0.0000	N/A	N/A	N/A	0.0002	5	0.0407
24	0.0000	N/A	N/A	N/A	0.0002	6	0.0363
25	0.0000	N/A	N/A	N/A	0.0002	7	0.0320
26	0.0000	N/A	N/A	N/A	0.0002	8	0.0304
27	0.0000	N/A	N/A	N/A	0.0002	9	0.0288
28	0.0000	N/A	N/A	N/A	0.0002	10	0.0272
29	0.0000	N/A	N/A	N/A	0.0002	11	0.0256
30	0.0000	N/A	N/A	N/A	0.0002	12	0.0240
31	0.0000	N/A	N/A	N/A	0.0003	13	0.0228
32	0.0000	N/A	N/A	N/A	0.0003	14	0.0216
33	0.0000	N/A	N/A	N/A	0.0003	15	0.0204
34	0.0000	N/A	N/A	N/A	0.0004	16	0.0192
35	0.0000	N/A	N/A	N/A	0.0004	17	0.0180
36	0.0000	N/A	N/A	N/A	0.0005	18	0.0174
37	0.0000	N/A	N/A	N/A	0.0005	19	0.0168
38	0.0000	N/A	N/A	N/A	0.0006	20	0.0162
39	0.0000	N/A	N/A	N/A	0.0006	21	0.0156
40	0.0000	N/A	N/A	N/A	0.0006	22	0.0150
41	0.0000	N/A	N/A	N/A	0.0007	23	0.0144
42	0.0000	N/A	N/A	N/A	0.0008	24	0.0138
43	0.0000	N/A	N/A	N/A	0.0009	25	0.0132
44	0.0000	N/A	N/A	N/A	0.0009	26	0.0126
45	0.0000	N/A	N/A	N/A	0.0010	27	0.0120
46	0.0000	N/A	N/A	N/A	0.0011	28	0.0120
47	0.0000	N/A	N/A	N/A	0.0012	29	0.0120
48	0.0000	N/A	N/A	N/A	0.0013	30 & Above	0.0120
49	0.0000	N/A	N/A	N/A	0.0014		
50	0.0000	N/A	N/A	N/A	0.0016		
51	0.0000	N/A	N/A	N/A	0.0017		
52	0.0000	N/A	N/A	N/A	0.0018		
53	0.0000	N/A	N/A	N/A	0.0020		
54	0.0000	N/A	N/A	N/A	0.0021		
55	0.0300	N/A	N/A	N/A	0.0023		
56	0.0300	N/A	N/A	N/A	0.0025		
57	0.0300	N/A	N/A	N/A	0.0028		
58	0.0300	N/A	N/A	N/A	0.0030		
59	0.0350	N/A	N/A	N/A	0.0033		
60	0.0500	N/A	N/A	N/A	0.0036		
61	0.0700	N/A	N/A	N/A	0.0039		
62	0.1000	N/A	N/A	N/A	0.0043		
63	0.0900	N/A	N/A	N/A	0.0047		
64	0.1600	N/A	N/A	N/A	0.0050		
65	0.2500	N/A	N/A	N/A	0.0054		
66	0.1800	N/A	N/A	N/A	0.0058		
67	0.1800	N/A	N/A	N/A	0.0062		
68	0.1800	N/A	N/A	N/A	0.0066		
69	0.1800	N/A	N/A	N/A	0.0069		
70	0.2500	N/A	N/A	N/A	0.0073		
71	0.2500	N/A	N/A	N/A	0.0076		
72	0.2500	N/A	N/A	N/A	0.0079		
73	0.2500	N/A	N/A	N/A	0.0085		
74	0.2500	N/A	N/A	N/A	0.0093		
75	1.0000	N/A	N/A	N/A	0.0103		



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Los Angeles County Employees Retirement Association

**Table A-12: Rate of Separation From Active Service For Safety Members
Plan A & B - Male**

Age	Service Retirement	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	0.0050	0.0003	0.0001	0.0002	0	0.0500
19	0.0000	0.0050	0.0003	0.0001	0.0002	1	0.0425
20	0.0000	0.0050	0.0003	0.0001	0.0002	2	0.0350
21	0.0000	0.0050	0.0003	0.0001	0.0002	3	0.0300
22	0.0000	0.0050	0.0003	0.0001	0.0002	4	0.0250
23	0.0000	0.0050	0.0003	0.0001	0.0003	5	0.0217
24	0.0000	0.0050	0.0003	0.0001	0.0003	6	0.0183
25	0.0000	0.0050	0.0003	0.0001	0.0003	7	0.0150
26	0.0000	0.0050	0.0003	0.0001	0.0003	8	0.0132
27	0.0000	0.0050	0.0003	0.0001	0.0003	9	0.0114
28	0.0000	0.0050	0.0003	0.0001	0.0003	10	0.0096
29	0.0000	0.0050	0.0003	0.0001	0.0003	11	0.0078
30	0.0000	0.0050	0.0003	0.0001	0.0004	12	0.0060
31	0.0000	0.0050	0.0003	0.0001	0.0004	13	0.0056
32	0.0000	0.0050	0.0003	0.0001	0.0004	14	0.0052
33	0.0000	0.0052	0.0003	0.0001	0.0004	15	0.0048
34	0.0000	0.0054	0.0003	0.0001	0.0004	16	0.0044
35	0.0000	0.0056	0.0003	0.0001	0.0004	17	0.0040
36	0.0000	0.0058	0.0003	0.0001	0.0004	18	0.0032
37	0.0000	0.0060	0.0003	0.0001	0.0004	19	0.0024
38	0.0000	0.0064	0.0003	0.0001	0.0004	20 & Above	0.0000
39	0.0000	0.0068	0.0003	0.0001	0.0004		
40	0.0100	0.0072	0.0004	0.0001	0.0005		
41	0.0100	0.0076	0.0004	0.0001	0.0006		
42	0.0100	0.0080	0.0004	0.0001	0.0006		
43	0.0100	0.0088	0.0004	0.0001	0.0007		
44	0.0100	0.0096	0.0004	0.0001	0.0008		
45	0.0100	0.0104	0.0005	0.0001	0.0008		
46	0.0100	0.0112	0.0005	0.0001	0.0009		
47	0.0100	0.0120	0.0005	0.0001	0.0010		
48	0.0100	0.0136	0.0005	0.0001	0.0010		
49	0.0100	0.0152	0.0006	0.0001	0.0011		
50	0.0100	0.0168	0.0007	0.0001	0.0011		
51	0.0200	0.0184	0.0007	0.0001	0.0012		
52	0.0250	0.0200	0.0008	0.0001	0.0013		
53	0.0300	0.0300	0.0009	0.0001	0.0014		
54	0.1200	0.0500	0.0010	0.0001	0.0015		
55	0.2400	0.1500	0.0020	0.0001	0.0016		
56	0.1800	0.1500	0.0022	0.0001	0.0017		
57	0.1800	0.1500	0.0024	0.0001	0.0019		
58	0.2000	0.1500	0.0024	0.0001	0.0020		
59	0.3000	0.1500	0.0024	0.0001	0.0021		
60	1.0000	0.0000	0.0000	0.0000	0.0000		

Los Angeles County Employees Retirement Association

**Table A-13: Rate of Separation From Active Service For Safety Members
Plan A & B – Female**

Age	Service Retirement	Service Disability	Ordinary Disability	Service Death	Ordinary Death	Years of Service	Other Terminations
18	0.0000	0.0050	0.0006	0.0001	0.0002	0	0.0500
19	0.0000	0.0050	0.0006	0.0001	0.0002	1	0.0425
20	0.0000	0.0050	0.0006	0.0001	0.0002	2	0.0350
21	0.0000	0.0050	0.0006	0.0001	0.0002	3	0.0300
22	0.0000	0.0050	0.0006	0.0001	0.0002	4	0.0250
23	0.0000	0.0050	0.0006	0.0001	0.0002	5	0.0217
24	0.0000	0.0050	0.0006	0.0001	0.0002	6	0.0183
25	0.0000	0.0050	0.0006	0.0001	0.0002	7	0.0150
26	0.0000	0.0050	0.0006	0.0001	0.0002	8	0.0132
27	0.0000	0.0050	0.0006	0.0001	0.0002	9	0.0114
28	0.0000	0.0050	0.0006	0.0001	0.0002	10	0.0096
29	0.0000	0.0050	0.0006	0.0001	0.0002	11	0.0078
30	0.0000	0.0060	0.0006	0.0001	0.0002	12	0.0060
31	0.0000	0.0070	0.0006	0.0001	0.0003	13	0.0056
32	0.0000	0.0080	0.0006	0.0001	0.0003	14	0.0052
33	0.0000	0.0090	0.0006	0.0001	0.0003	15	0.0048
34	0.0000	0.0100	0.0006	0.0001	0.0004	16	0.0044
35	0.0000	0.0110	0.0008	0.0001	0.0004	17	0.0040
36	0.0000	0.0120	0.0008	0.0001	0.0005	18	0.0032
37	0.0000	0.0125	0.0008	0.0001	0.0005	19	0.0024
38	0.0000	0.0130	0.0008	0.0001	0.0006	20 & Above	0.0000
39	0.0000	0.0135	0.0008	0.0001	0.0006		
40	0.0100	0.0140	0.0010	0.0001	0.0006		
41	0.0100	0.0145	0.0010	0.0001	0.0007		
42	0.0100	0.0150	0.0010	0.0001	0.0008		
43	0.0100	0.0155	0.0010	0.0001	0.0009		
44	0.0100	0.0160	0.0012	0.0001	0.0009		
45	0.0100	0.0165	0.0012	0.0001	0.0010		
46	0.0100	0.0170	0.0014	0.0001	0.0011		
47	0.0100	0.0175	0.0014	0.0001	0.0012		
48	0.0100	0.0180	0.0016	0.0001	0.0013		
49	0.0100	0.0185	0.0020	0.0001	0.0014		
50	0.0100	0.0190	0.0022	0.0001	0.0016		
51	0.0200	0.0300	0.0026	0.0001	0.0017		
52	0.0250	0.0350	0.0028	0.0001	0.0018		
53	0.0300	0.0400	0.0034	0.0001	0.0020		
54	0.1200	0.0450	0.0040	0.0001	0.0021		
55	0.2400	0.0700	0.0048	0.0001	0.0023		
56	0.1800	0.1200	0.0054	0.0001	0.0025		
57	0.1800	0.1200	0.0060	0.0001	0.0028		
58	0.2000	0.1200	0.0066	0.0001	0.0030		
59	0.3000	0.1200	0.0072	0.0001	0.0033		
60	1.0000	0.0000	0.0000	0.0000	0.0000		

Los Angeles County Employees Retirement Association

Appendix B: Summary of Plan Provisions



All actuarial calculations are based on our understanding of the statutes governing the LACERA as contained in the County Employees Retirement Plan (CERL) of 1937, with provisions adopted by the LACERA Board, effective through July 1, 2008. The benefit and contribution provisions of this law are summarized briefly below, along with corresponding references to the State Code. This summary does not attempt to cover all the detailed provisions of the law.

Government Code Section

MEMBERSHIP

Permanent employees of Los Angeles County (County) and participating districts who work $\frac{3}{4}$ time or more are eligible for membership in LACERA.

(31551, 31552,
Bylaws)

Employees eligible for safety membership (law enforcement, fire fighting and lifeguards) become safety members on the first day of the month after date of hire.

(31558)

All other employees become general members on the first day of the month after date of hire, or the first day of the month after they make an election of either Plan D or Plan E, depending on the law in effect at that time.

(31493,
31493.5,
31493.6,
Bylaws)

Elective officers become members on the first day of the month after filing a declaration with the Board of Retirement (Board).

(31553, 31562)

General members in Plan E may transfer all their Plan E service credit to Plan D during an approved transfer period by making the required contributions. Transferred members relinquish, waive, and forfeit any and all vested or accrued benefits available under any other retirement plan and are entitled only to the benefits of Plan D.

RETIREMENT PLANS

The County has established seven defined benefit plans (General Plans A, B, C, D and E and Safety Plans A and B) and two defined contribution plans (General Plan F and Safety Plan F) based on a member's date of entry into LACERA.

(31494.1,
31494.3)

Plan A: General and safety members – prior to September 1977.

Plan B: General members – September 1977 through September 1978. Safety members – September 1977 to present.

Plan C: General members – October 1978 through May 1979.



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RETIREMENT PLANS (Continued)

Plan D:	General members – Hired June 1979 through January 3, 1982; and those hired on or after January 4, 1982 and elect Plan D instead of Plan E; or, former Plan E general members who elected to transfer to Plan D.	
Plan E:	General members – Hired on or after January 4, 1982, unless they elect Plan D; or, former general members in Plans A-D who elected to transfer to Plan E.	(31487, 31496)
Plan F:	General members in Plan D and safety members in Plan B who first became members on or after January 1, 1990, and are subject to the limitations set forth in Section 415 of the Internal Revenue Code of 1986. Currently there are no members participating in Plan F. No further description of Plan F is included here.	(31510)

MEMBER CONTRIBUTIONS

Plans A-D:	Contributions are based on the entry age and class of each member and are required of all members in Plans A, B, C, and D. Current member rates are shown in Appendix D. Section 5 provides additional detail on how these rates are calculated.	(31620)
	Contributions cease when general members are credited with 30 years of service in a contributory plan provided they were members of LACERA or a reciprocal system on March 7, 1973, and continuously thereafter. All safety member are eligible for the 30-year cessation of contributions.	(31625.2, 31836.1)
	Interest is credited to contributions semiannually on June 30 and December 31 at an interest rate set by the Board of Investments on amounts that have been on deposit for at least six months.	(31591, 31700)
	In addition to the normal contributions, members pay one-half of the cost of their plan's COLA. This is discussed further in Section 5 of this report.	(31873)

EMPLOYER CONTRIBUTIONS

The employer (County or district) contributes to the retirement fund a percent of the total compensation provided for all members based on an actuarial investigation, valuation and recommendation of the actuary.	(31453, 31454 31581)
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SERVICE RETIREMENT ALLOWANCE

<u>Eligibility:</u>		(31672)
Plans A-D:	General members: Age 50 with 10 years of County service; Any age with 30 years of service; or Age 70 regardless of service.	
	Safety members: Age 50 with 10 years of County service; Any age with 20 years of service; or Age 60 regardless of service.	(31662.4, 31662.6, 31663.25)
Plan E:	Age 65 with 10 years of service. A reduced benefit is also payable at age 55 with 10 years of service.	(31491.3)
<u>Final Compensation:</u>		
Plans A-D:	Monthly average of a member's compensation during the last year of service.	(31462.3, 31461.45)
Plan E:	Monthly average of a member's compensation for the last three years of service.	(31488)
The amount of compensation that is taken into account in computing benefits payable to any person who first becomes a member on or after July 1, 1996, shall not exceed the dollar limitations in Section 401(a)(17) of Title 26 of the US Code.		(31671)
<u>Monthly Allowance:</u>		
	Safety members: 1/50 x Final Compensation x Safety age factor x Years of service. (The Safety Plan A and Safety Plan B age factors are the same.)	(31664)
Plans A-D:	General members: 1/60 x Final Compensation x a Plan specific age factor x years of service.	(31676.1) (31676.11) (31676.14)

SERVICE RETIREMENT ALLOWANCE (Continued)

Plan E:	General members: (a)+(b)-(c) where:	
	(a) 2% x Final Compensation x (Years of Service (up to 35 years), plus	(31491,
	(b) 1 % x Final Compensation x Years of Service in excess of 35 (up to 10)	31491.3 (b)&(c))
	(c) Estimated Primary Insurance Amount (PIA) x Years of Covered Service (up to 35) divided by 35.	
	The PIA is calculated based on certain assumptions specified by statute, and an assumed Social Security retirement age of 62.	
	If retirement occurs prior to age 65, benefit amount is adjusted by an actuarial equivalent factor (see Sample Plan Age Factors).	

Social Security Integration:

Plans A-C:	General Members:	(31808)
	For County service covered by Social Security prior to January 1, 1983, the 1/60 factor is replaced by 1/90 for the first \$350 of compensation.	
Plan D:	The 1/90 factor is applied to the first \$1,050 of compensation.	

Sample Plan Age Factors:

Plan	Age 50	Age 55	Age 60	Age 65 & Up	
General A	0.885	1.169	1.464	1.567	(31676.14)
General B	0.745	1.000	1.309	1.567	(31676.11)
General C&D	0.709	0.895	1.150	1.459	(31676.1)
General E	N/A	0.375	0.601	1.000	(31491.3(a))
Safety A&B	1.000	1.310	1.310	1.310	(31664)

Maximum Allowance:

Plans A-D:	Allowance may not exceed 100% of final compensation.	
Plan E:	The sum of the normal retirement allowance and the estimated PIA cannot exceed 70% of Final Compensation for a member with 35 or less years of service, and cannot exceed 80% of Final Compensation if service exceeds 35 years.	(31491.3)

SERVICE RETIREMENT ALLOWANCE (Continued)

Unmodified Retirement Allowance (Normal Form):

Plans A-D:	Life Annuity payable to retired member with 65% continuance to an eligible survivor (or eligible children).	(31760.12, 31785.4)
Plan E:	Life Annuity payable to retired member with 55% continuance to an eligible survivor (or eligible children).	(31491, 31492.1)
Eligible survivor includes certain domestic partners.		(31780.2)

Optional Retirement Allowance:

A member may elect to have the actuarial equivalent of the service or disability retirement allowance applied to a lesser retirement allowance during the retired member's life in order to provide an optional survivor allowance. (31760)

Unmodified Plus:	Members with eligible survivors may elect a higher percent than the standard unmodified continuance, up to 100%. The benefit is actuarially reduced from the unmodified amount. The elected percent of the member's reduced allowance is payable to the eligible survivor.	(31760.5)
Option 1:	Member's allowance is reduced to pay a cash refund of any unpaid annuity payments (up to the amount of the member's contributions at retirement) to the member's estate or to a beneficiary having an insurable interest in the life of the member.	(31761)
Option 2:	100% of member's reduced allowance is payable to a surviving spouse or beneficiary having an insurable interest in the life of the member.	(31762)
Option 3:	50% of member's reduced allowance is payable to a surviving spouse or beneficiary having an insurable interest in the life of the member.	(31763)
Option 4:	Other % of member's reduced allowance is payable to a surviving spouse or beneficiary(ies) having an insurable interest in the life of the member.	(31764)

SERVICE RETIREMENT ALLOWANCE (Continued)

A member may not revoke and name another beneficiary if the member elects Option 2, 3 or 4. (31782)

Pension Advance Option:	The Pension Advance Option is available to members who are fully insured under Social Security for the purpose of coordinating a member's retirement allowance with benefits receivable from Social Security. It is not available to disability retirees or members who elect Option 2, 3 or 4. The allowance is increased prior to age 62 and then reduced after 62 by amounts which have equivalent actuarial values. The automatic 65% continuance for eligible spouses of members who elect the Pension Advance Option is based on the unmodified allowance the member would have received if the member had not elected the option.	(31810, 31811)
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<u>All Allowances:</u>	All allowances are made on a pro-rata basis (based on the number of days in that month) if not in effect for the entire month of retirement. For deaths that occur mid-month, the full month's payment is made.	(31600)
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SERVICE-CONNECTED DISABILITY RETIREMENT ALLOWANCE

<u>Eligibility:</u>		(31720, 31720.5)
Plans A-D:	Any age or years of service; disability must result from occupational injury or disease, and member must be permanently incapacitated for the performance of duty.	

Plan E:	Not available under Plan E.	(31487)
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<u>Monthly Allowance:</u>	Greater of (1) 50% of final compensation, and (2) the service retirement allowance, if eligible to retire.	(31727.4)
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<u>Normal Form Of Payment:</u>	Life Annuity with 100% continuance to a surviving spouse (or eligible children).	(31760, 31786)
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NONSERVICE-CONNECTED DISABILITY RETIREMENT ALLOWANCE

Eligibility:

Plans A-D: Any age with 5 years of service, and permanently incapacitated for the performance of duty. (31720, 31836)

Plan E: Not available under Plan E. (31487)

Monthly Allowance:

The monthly allowance is equal to a service retirement allowance if the member is eligible to retire, otherwise allowance equals (a) or (b) where: (31726, 31726.5)

General Members: (a) 90% of 1/60 of Final Compensation x years of service, if member must rely on service in another retirement system in order to be eligible to retire, or allowance exceeds 1/3 of final compensation. (31727(a))

(b) 90% of 1/60 of Final Compensation x years of service projected to age 65, not to exceed 1/3 of Final Compensation. (31727(b))

Safety Members: 1/60 is replaced by 1/50 and age 65 is replaced by age 55 in (a) and (b) above. (31727.2)

Normal Form Of Payment: Life Annuity with 65% continuance to a surviving spouse (or eligible children). (31760, 31760.1, 31760.12, 31785, 31785.4)

SERVICE-CONNECTED DEATH BENEFITS

Eligibility:

Plans A-D: Active members who die in service as a result of injury or disease arising out of and in the course of employment. (31787)

Plan E: Not available under Plan E. (31487)

Monthly Allowance:

An annual death allowance is payable monthly to an eligible survivor (or eligible children) equal to 50% of the member's Final Compensation. (31787)

SERVICE-CONNECTED DEATH BENEFITS (Continued)

Optional Combined Benefit: (31781.3)

In lieu of the monthly allowance above, a surviving spouse may elect:

- (a) A lump sum equal to 1/12 of the compensation earned in the preceding 12 months x years of service (benefit not to exceed 50% of the 12 months' compensation), plus
- (b) A monthly payment equal to 50% of the member's Final Compensation, reduced by a monthly amount, which is the actuarial equivalent of (a) above based on the age of surviving spouse.

Death Benefit (Lump Sum): (31781)

The member's normal contributions and interest, plus 1/12 of the compensation earned in the preceding 12 months x years of service (benefit not to exceed 50% of the 12 months' compensation).

Additional Allowance for Children: (31787.5)

25% of death allowance (whether or not the monthly allowance or combined benefit is chosen) for one child, 40% for two children, and 50% for three or more children.

Additional Amount for Spouse of Safety Member: (31787.6)

A surviving spouse of a safety member is also entitled to receive a lump-sum death benefit equal to 12 x monthly rate of compensation at the time of member's death in addition to all other benefits.

Note: For valuation purposes, an unmarried member is assumed to take the lump sum benefit. A married member is assumed to take the monthly allowance or the lump sum, whichever is more valuable.

NONSERVICE-CONNECTED DEATH BENEFITS

Eligibility: (31780)

Plans A-D: Active members who die while in service or while physically or mentally incapacitated for the performance of duty.

Plan E: Not available under Plan E. (31487)

NONSERVICE-CONNECTED DEATH BENEFITS (Continued)

Death Benefit (Lump Sum):

(31781)

The member's normal contributions and interest, plus 1/12 of the compensation earned in preceding 12 months x the number of completed years of service (benefit not to exceed 50% of the 12 months' compensation).

Optional Death Benefit:

In lieu of the lump-sum death benefit, the following several optional death benefits are available to provide flexibility to survivors.

First Optional Death Benefit:

If a member who would have been entitled to a non-service-connected disability retirement allowance dies prior to retirement as a result of such disability, the surviving spouse (or eligible children) may elect to receive an optional death allowance equal to 65% of the monthly retirement allowance to which the member would have been entitled as of the date of death.

(31781.1,
31781.12)

Second Optional Death Benefit:

If a member dies prior to reaching the minimum retirement age but has 10 or more years of County service, a surviving spouse (or eligible children) may elect to leave the amount of the death benefit on deposit until the earliest date the member could have retired and at that time receive the allowance provided for in Section 31765 (an Option 3 benefit) or 31765.2 (a 65% continuance).

(31781.2,
31765.2)

Third Optional Death Benefit:

A surviving spouse of a member who dies after five years of County service may elect a combined benefit equal to:

- (a) A lump sum equal to 1/12 of the compensation earnable in the preceding 12 months x the number of completed years of service (benefit not to exceed 50% of the 12 months' compensation), plus
- (b) A monthly payment equal to 65% of the monthly retirement allowance to which the member have been entitled if the member retired or been retired for a non-service-connected disability as of the date of death, reduced by a monthly amount which is the actuarial equivalent of (a) above based on the age of surviving spouse.

(31781.3)

(31781.1,
31781.12)

NONSERVICE-CONNECTED DEATH BENEFITS (Continued)

Fourth Optional Death Benefit:

If a member dies while eligible for a service retirement and the surviving spouse is designated as beneficiary, the spouse (or eligible children) may elect to receive 65% of the monthly retirement allowance to which the member would have been entitled as of the date of death. (31765.1, 31765.2)

Fifth Optional Death Benefit:

If a member dies while eligible for a service retirement and the surviving spouse is designated as beneficiary and survives the member by not less than 30 days the spouse (or eligible children) may elect to receive the same retirement allowance as the spouse would have received had the member retired on the date of death and selected Option 3. (31765)

Note: For valuation purposes, an unmarried member is assumed to take the lump sum benefit. A married member is assumed to take the first optional death benefit or the lump sum, whichever is more valuable.

POSTRETIREMENT DEATH BENEFIT

Plans A-D: A one-time lump-sum benefit of \$5,000 is payable to the estate or to the beneficiary designated by the member upon the death of any member while receiving a retirement allowance. This is in addition to any other death or survivor benefits. The amount may be paid from surplus earnings of the retirement system, if any, but is currently paid by the County based on agreement with LACERA. It is not included for valuation purposes. (31789.1)

Plan E: The only death benefits payable after retirement are the continuance allowances described above under Unmodified and Optional Retirement Allowances. There is no \$5,000 lump-sum payment under Plan E. (31492)

DEFERRED VESTED BENEFITS

<u>Eligibility:</u>		(31700)
Plans A-D:	Five years of county or reciprocal service. member contributions must be left on deposit.	
Plan E:	Age 55 with 10 years of service.	(31491)
<u>Monthly Allowance:</u>		(31703, 31704, 31705)
Plans A-D:	Same as service retirement allowance; payable anytime after the member would have been eligible for service retirement.	
	If a terminated member dies before the effective date of the deferred retirement allowance, the member's accumulated contributions are paid to the estate or to the named beneficiary.	(31702)
Plan E:	Same as service retirement allowance at normal retirement age 65 or in an actuarially equivalent reduced amount at early retirement, after age 55.	(31491)

TRANSFERS BETWEEN PLAN D AND PLAN E

Members in Plan D may transfer to Plan E on a prospective basis. Members in Plan E may transfer to Plan D on a prospective basis. (31494.2, 31494.5)

RECIPROCITY:

Plans A-E:

Reciprocal benefits are may be granted to members who are entitled to retirement benefits from two or more retirement systems established under the CERL or from a County retirement system and the California Public Employees' Retirement System (CalPERS). Reciprocity also applies to the members of the State Teachers' Retirement System Defined Benefit Plan. (31830, 31840.4, 31840.8)

Final Compensation may be based on service with CalPERS or another County retirement system, if greater.

(31835)

Deferred members are eligible for disability and death benefits from LACERA, if disabled while a member of CalPERS or another County retirement system, but combined benefits are limited.

TRANSFER FROM CALPERS

Whenever firefighting or law enforcement functions performed by a city of the state subject to the California Public Employees Retirement Law are transferred to the County, fire authority, or district, employees performing those functions become members of LACERA. LACERA and CalPERS may enter into an agreement whereby the members' service credit plus the members' and the cities' or states' retirement contributions are transferred from CalPERS to LACERA. (31657)

COST-OF-LIVING INCREASES

Cost-of-living increases (or decreases) are applied to all retirement allowances (service and disability), optional death allowances, and annual death allowances effective April 1, based on changes in the Consumer Price Index (CPI) from the previous January 1 to the current January 1, to the nearest ½ of 1%. (31870, 31870.1)

Plan A:	Members (and their beneficiaries) are limited to a maximum 3% cost-of-living increase.	
Plans B-D:	Members (and their beneficiaries) are limited to a maximum 2% cost-of-living increase. When the CPI exceeds 2 or 3%, the difference between the actual CPI and the maximum cost-of-living increase given in any year is credited to the COLA Accumulation. It may be used in future years to provide cost-of-living increases when the CPI falls below 2 or 3%, depending on the retirement plan.	(31870, 31870.1)
Plan E:	Members (and their beneficiaries) are limited to a maximum 2% cost-of-living increase. The 2% is pro-rated based on service earned after June 4, 2002. "Elective COLA" increases for service earned prior to June 4, 2002 may be purchased by the member.	(31495.5)

STAR PROGRAM

Members who have a COLA Accumulation of more than 20% resulting from CPI increases that exceeded the maximum cost-of-living increases that could be granted are eligible for a supplemental cost-of-living increase effective January 1 known as the Supplemental Targeted Adjustment for Retirees Cost-of-Living Adjustment (STAR COLA). These benefits are not evaluated in this report, or as part of the actuarially required funding amount, unless they have been vested by the Board of Investments. (318874.3(b))

Los Angeles County Employees Retirement Association

Appendix C: Valuation Data and Schedules



On the following table, Exhibit C-1, we present a summary of LACERA membership at June 30, 2008 for active members. Similar information is shown in Exhibit C-2Ret for retired members and C-2Def for deferred vested members.

The number of total active members increased by 2.6% and the total salary increased by 7.4% since the last valuation. The total number of retired members and their beneficiaries increased by 1.9%, while the average retirement benefit amount increased by 4.5%.

Note that salary amounts shown are the prior year annual pensionable earnings for those members of plans with a one-year final compensation period. For plans with a three-year final compensation period (Plan E only), the monthly rate of pay at June 2008 is shown.

Additional statistical data on both active and retired members is shown in the following tables. Additional detailed summaries are supplied to the system staff in a supplementary report.

Exhibit C-3: Age Distribution of Active Members

Exhibit C-4: Age, Service, Compensation Distribution of Active Members

Exhibit C-5: Age, Retirement Year, Benefit Amount and Plan Distribution of Retired Members

Exhibits C-4 and C-5 are shown for all plans combined as well as for each plan separately.

Data on LACERA membership as of June 30, 2008 was supplied to us by the system staff. Based on our review of this data and discussions with LACERA staff, all retiree and beneficiary records were included in our valuation. However, benefit amounts were zeroed for records of retirees who have returned to work and who were valued as active participants.

All active and deferred records supplied by LACERA were included in the valuation.

Los Angeles County Employees Retirement Association

Exhibit C-1: LACERA Membership – Active Members as of June 30, 2008

	Sex	Vested	NonVested	Total Number	Annual Salary	Average Age	Average Monthly Salary	Average Credited Service
General Members								
Plan A	M	797	1	798	\$ 75,290,484	60.4	\$ 7,862	33.6
	F	1,535	2	1,537	111,630,588	58.8	6,052	33.5
Plan B	M	110	1	111	10,714,488	58.9	8,044	30.5
	F	224	-	224	16,574,448	57.5	6,166	29.7
Plan C	M	77	-	77	7,314,456	57.6	7,916	29.6
	F	170	-	170	12,391,968	56.7	6,074	29.2
Plan D	M	10,965	5,410	16,375	1,082,899,440	44.4	5,511	10.1
	F	22,210	11,312	33,522	1,990,943,880	43.5	4,949	10.0
Plan E	M	5,197	1,742	6,939	497,315,328	51.2	5,972	18.2
	F	12,599	9,312	21,911	1,211,645,868	47.1	4,608	14.8
Total		53,884	27,780	81,664	\$ 5,016,720,948	45.8	\$ 5,119	12.8
Safety Members								
Plan A	M	296	2	298	\$ 39,220,020	55.4	\$ 10,968	32.0
	F	29	-	29	3,689,976	55.1	10,603	33.1
Plan B	M	8,439	2,537	10,976	1,011,932,868	40.4	7,683	13.5
	F	1,112	413	1,525	132,563,904	37.7	7,244	11.1
Total		9,876	2,952	12,828	\$ 1,187,406,768	40.5	\$ 7,714	13.7
Grand Total		63,760	30,732	94,492	\$ 6,204,127,716	45.1	\$ 5,471	12.9

Los Angeles County Employees Retirement Association

Exhibit C-2Ret: LACERA Membership – Retired Members as of June 30, 2008

	Sex	Number	Annual Allowance	Average Age	Average Monthly Benefit
General Members					
Plan A	M	11,920	\$ 565,905,788	73.9	\$ 3,956
	F	17,522	546,437,253	75.0	2,599
Plan B	M	155	5,098,247	69.6	2,741
	F	393	10,078,438	70.4	2,137
Plan C	M	120	2,920,499	69.7	2,028
	F	247	4,907,521	70.2	1,656
Plan D	M	2,104	53,034,633	65.2	2,101
	F	3,616	72,738,395	65.4	1,676
Plan E	M	2,173	38,863,013	69.1	1,490
	F	4,048	55,596,462	68.5	1,145
Total		42,298	\$ 1,355,580,249	72.4	\$ 2,671
Safety Members					
Plan A	M	6,382	\$ 463,544,009	68.6	\$ 6,053
	F	1,848	84,284,807	71.5	3,801
Plan B	M	1,372	59,625,243	51.3	3,622
	F	450	15,840,947	47.4	2,934
Total		10,052	\$ 623,295,006	65.8	\$ 5,167
Grand Total		52,350	\$ 1,978,875,255	71.1	\$ 3,150

Los Angeles County Employees Retirement Association

**Exhibit C-2Def: LACERA Membership – Deferred Members as of June 30, 2008
Subtotaled by Plan and Retirement Type**

	Sex	Number	Average Age
<i>General Members</i>			
Plan A	M	127	61.2
	F	231	59.2
Plan B	M	13	59.8
	F	42	57.6
Plan C	M	8	57.0
	F	24	53.6
Plan D	M	2,107	43.6
	F	4,239	42.0
Plan E	M	1,330	52.8
	F	3,028	51.4
Total		<u>11,149</u>	<u>46.8</u>
<i>Safety Members</i>			
Plan A	M	14	58.7
	F	-	-
Plan B	M	509	37.7
	F	162	37.4
Total		<u>685</u>	<u>38.0</u>
<i>Grand Total</i>		11,834	46.3

Los Angeles County Employees Retirement Association

Exhibit C-2a: LACERA Membership – Retired Members as of June 30, 2008 Subtotaled by Plan and Retirement Type

Plan	Retirement Type	Number	Annual Benefits in Thousands	Average Monthly Benefit
General Plans:				
Plan A				
	Healthy	21,794	\$ 926,634	\$ 3,543
	Disabled	2,555	72,614	2,368
	Beneficiaries	5,093	113,095	1,850
	Total	29,442	\$ 1,112,343	\$ 3,148
Plan B				
	Healthy	444	\$ 13,178	\$ 2,473
	Disabled	68	1,380	1,691
	Beneficiaries	36	618	1,431
	Total	548	\$ 15,176	\$ 2,308
Plan C				
	Healthy	268	\$ 6,063	\$ 1,885
	Disabled	63	1,358	1,796
	Beneficiaries	36	407	942
	Total	367	\$ 7,828	\$ 1,777
Plan D				
	Healthy	4,071	\$ 91,169	\$ 1,866
	Disabled	1,164	28,433	2,036
	Beneficiaries	485	6,171	1,060
	Total	5,720	\$ 125,773	\$ 1,832
Plan E				
	Healthy	5,838	\$ 91,606	\$ 1,308
	Disabled	0	0	N/A
	Beneficiaries	383	2,854	621
	Total	6,221	\$ 94,460	\$ 1,265
Safety Plans:				
Plan A				
	Healthy	3,051	\$ 233,704	\$ 6,383
	Disabled	3,858	259,931	5,615
	Beneficiaries	1,321	54,194	3,419
	Total	8,230	\$ 547,829	\$ 5,547
Plan B				
	Healthy	402	\$ 21,557	\$ 4,469
	Disabled	1,310	50,874	3,236
	Beneficiaries	110	3,035	2,299
	Total	1,822	\$ 75,466	\$ 3,452
Grand Totals		52,350	1,978,875	3,150



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Los Angeles County Employees Retirement Association

Exhibit C-2b: LACERA Membership – Retired Members as of June 30, 2008 Subtotaled by Retirement Type and Plan

<u>Type</u>	<u>Plan</u>	<u>Number</u>	<u>Annual Benefits in Thousands</u>	<u>Average Monthly Benefit</u>
Healthy Retirees				
	General A	21,794	\$ 926,634	\$ 3,543
	General B	444	13,178	2,473
	General C	268	6,063	1,885
	General D	4,071	91,169	1,866
	General E	5,838	91,606	1,308
	Safety A	3,051	233,704	6,383
	Safety B	402	21,557	4,469
	Total	35,868	\$ 1,383,911	\$ 3,215
Disabled Retirees				
	General A	2,555	\$ 72,614	\$ 2,368
	General B	68	1,380	1,691
	General C	63	1,358	1,796
	General D	1,164	28,433	2,036
	Safety A	3,858	259,931	5,615
	Safety B	1,310	50,874	3,236
	Total	9,018	\$ 414,590	\$ 3,831
Beneficiaries				
	General A	5,093	\$ 113,095	\$ 1,850
	General B	36	618	1,431
	General C	36	407	942
	General D	485	6,171	1,060
	General E	383	2,854	621
	Safety A	1,321	54,194	3,419
	Safety B	110	3,035	2,299
	Total	7,464	\$ 180,374	\$ 2,014
Grand Totals		52,350	\$ 1,978,875	\$ 3,150

Los Angeles County Employees Retirement Association

Exhibit C-3: Age Distribution of Active Members as of June 30, 2008

		Age Groups						
		0-29	30-39	40-49	50-59	60-69	70+	Total
General Plans:								
Plan A								
Male	-	-	-	392	359	47	798	
Female	-	-	-	996	485	56	1,537	
Plan B								
Male	-	-	-	65	45	1	111	
Female	-	-	4	153	58	9	224	
Plan C								
Male	-	-	-	54	22	1	77	
Female	-	-	13	109	45	3	170	
Plan D								
Male	1,680	4,243	4,885	3,924	1,472	171	16,375	
Female	3,576	9,451	10,259	7,660	2,369	207	33,522	
Plan E								
Male	207	757	1,823	2,625	1,358	169	6,939	
Female	1,535	4,241	6,407	6,796	2,659	273	21,911	
Safety Plans:								
Plan A								
Male	-	-	-	286	12	-	298	
Female	-	-	-	29	-	-	29	
Plan B								
Male	1,502	3,350	4,311	1,762	50	1	10,976	
Female	299	580	506	138	2	-	1,525	
Grand Totals:	8,799	22,622	28,208	24,989	8,936	938	94,492	

Los Angeles County Employees Retirement Association

**Exhibit C-4: Age & Service Distribution of Active Members by Count and Average Compensation as of June 30, 2008
All Plans**

Count												
Age	Years of Service											
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over
Under 25	874	660	247	99	12	5	0	0	0	0	0	0
25-29	1,687	1,781	1,485	702	326	916	5	0	0	0	0	0
30-34	1,216	1,349	1,317	864	567	4,163	657	14	0	0	0	0
35-39	858	1,024	912	563	424	4,622	2,826	1,210	36	0	0	0
40-44	530	689	647	484	329	3,344	2,611	3,986	1,383	36	0	0
45-49	453	621	560	364	243	2,616	1,861	3,245	3,011	1,145	50	0
50-54	326	425	433	311	220	2,052	1,502	2,363	2,393	2,405	1,006	107
55-59	206	257	275	186	132	1,483	1,120	1,715	1,557	1,634	1,681	1,200
60-64	76	123	125	104	95	894	710	1,077	914	802	790	1,000
65 & Over	20	33	66	29	39	451	407	629	487	377	269	357
Total Count	6,246	6,962	6,067	3,706	2,387	20,546	11,699	14,239	9,781	6,399	3,796	2,664

Average Compensation												
Age	Years of Service											
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over
Under 25	42,382	43,802	42,041	41,627	56,965	42,439	-	-	-	-	-	-
25-29	46,800	49,317	49,056	49,068	51,521	52,614	56,532	-	-	-	-	-
30-34	48,973	50,925	52,420	54,929	55,709	59,935	65,099	77,179	-	-	-	-
35-39	50,699	52,451	55,357	57,334	59,675	64,019	72,622	70,806	67,285	-	-	-
40-44	49,221	48,678	51,897	54,958	62,266	61,665	72,261	77,932	71,846	73,342	-	-
45-49	46,953	48,437	49,270	55,562	58,796	60,440	70,575	76,830	82,564	82,183	90,327	-
50-54	50,029	47,649	53,292	59,736	62,889	59,504	66,492	71,957	83,071	83,604	78,060	75,046
55-59	49,562	49,190	54,897	57,834	63,889	59,805	65,621	69,748	76,590	79,372	81,370	72,027
60-64	53,691	48,177	57,837	58,048	65,658	62,605	64,561	65,665	73,795	77,522	81,385	75,805
65 & Over	60,260	87,569	81,530	88,591	79,322	64,449	62,924	62,136	71,218	74,588	75,653	74,508
Avg. Annual Compensation	47,744	49,480	51,872	54,795	58,962	61,032	69,503	73,472	78,781	80,918	80,209	73,899



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Los Angeles County Employees Retirement Association

**Exhibit C-4a: Age & Service Distribution of Active Members by Count and Average Compensation as of June 30, 2008
General Plan A**

Count													
Age	Years of Service												Total Count
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	
Under 25	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0	0	0	0	0	0
40-44	0	0	0	0	0	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	0	0	0	0	0	0	0
50-54	0	0	0	0	0	0	4	2	8	19	194	49	276
55-59	0	0	0	1	1	7	12	25	31	42	496	497	1,112
60-64	0	0	0	0	0	9	11	21	34	35	253	315	678
65 & Over	0	0	0	0	1	6	4	7	14	15	81	141	269
Total Count	0	0	0	1	2	22	31	55	87	111	1,024	1,002	2,335

Compensation													
Age	Years of Service												Average Comp.
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-	-	-	-	-	-
50-54	-	-	-	-	-	-	57,759	71,598	66,195	74,070	68,405	71,436	69,138
55-59	-	-	-	107,700	85,416	83,218	71,459	74,022	88,459	80,971	77,154	73,216	75,794
60-64	-	-	-	-	-	115,527	87,761	97,553	81,225	86,672	87,382	87,019	87,563
65 & Over	-	-	-	-	60,480	63,278	80,268	80,635	132,188	109,104	92,876	84,059	89,918
Avg. Annual Compensation	-	-	-	107,700	72,948	90,997	76,613	83,760	90,621	85,389	79,267	78,994	80,052



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Los Angeles County Employees Retirement Association

**Exhibit C-4b: Age & Service Distribution of Active Members by Count and Average Compensation as of June 30, 2008
General Plan B**

Count

Age	Years of Service												Total Count
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	
Under 25	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0	0	0	0	0	0
40-44	0	0	0	0	0	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	0	0	1	0	3	0	4
50-54	0	0	0	0	0	0	1	3	2	11	65	1	83
55-59	0	0	0	0	0	3	2	3	4	14	102	7	135
60-64	0	0	0	0	1	0	0	0	3	7	60	4	75
65 & Over	0	0	0	0	0	0	0	0	0	5	32	1	38
Total Count	0	0	0	0	1	3	3	6	10	37	262	13	335

Compensation

Age	Years of Service												Average Comp.
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-	59,544	-	62,636	-	61,863
50-54	-	-	-	-	-	-	42,552	93,648	78,822	72,232	70,683	214,056	73,303
55-59	-	-	-	-	-	116,652	70,170	91,408	87,492	77,429	85,578	95,791	85,911
60-64	-	-	-	-	77,940	-	-	-	124,844	101,937	82,327	113,565	87,466
65 & Over	-	-	-	-	-	-	-	-	-	95,498	70,399	69,144	73,669
Avg. Annual Compensation	-	-	-	-	77,940	116,652	60,964	92,528	94,169	82,962	79,022	108,307	81,460



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Los Angeles County Employees Retirement Association

**Exhibit C-4c: Age & Service Distribution of Active Members by Count and Average Compensation as of June 30, 2008
General Plan C**

Count													
Age	Years of Service												Total Count
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	
Under 25	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0	0	0	0	0	0
40-44	0	0	0	0	0	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	0	0	0	12	1	0	13
50-54	0	0	0	0	0	0	0	1	1	58	5	0	65
55-59	0	0	0	0	0	0	1	1	2	75	18	1	98
60-64	0	0	0	0	0	0	0	1	2	43	7	2	55
65 & Over	0	0	0	0	0	0	0	0	0	16	0	0	16
Total Count	0	0	0	0	0	0	1	3	5	204	31	3	247

Compensation													
Age	Years of Service												Average Comp.
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-	-	60,263	68,352	-	60,885
50-54	-	-	-	-	-	-	-	99,048	97,164	67,510	81,242	-	69,508
55-59	-	-	-	-	-	-	97,512	96,312	77,844	80,604	123,550	98,568	88,952
60-64	-	-	-	-	-	-	-	78,780	157,992	71,252	93,067	158,730	80,501
65 & Over	-	-	-	-	-	-	-	-	-	78,254	-	-	78,254
Avg. Annual Compensation	-	-	-	-	-	-	97,512	91,380	113,767	73,529	108,062	138,676	79,783



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.

C-11

Los Angeles County Employees Retirement Association

Exhibit C-4d: Age & Service Distribution of Active Members by Count and Average Compensation as of June 30, 2008 General Plan D

Count													
Age	Years of Service												Total Count
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	
Under 25	452	353	132	47	7	4	0	0	0	0	0	0	995
25-29	1,046	1,042	1,000	475	193	501	4	0	0	0	0	0	4,261
30-34	807	861	943	591	332	2,452	325	9	0	0	0	0	6,320
35-39	577	705	651	383	266	2,827	1,435	515	15	0	0	0	7,374
40-44	374	487	475	326	213	2,152	1,465	1,619	519	23	0	0	7,653
45-49	316	431	400	259	179	1,727	1,138	1,599	1,080	349	13	0	7,491
50-54	222	307	316	208	166	1,354	977	1,309	976	627	148	12	6,622
55-59	137	174	189	134	104	979	717	1,009	702	507	182	128	4,962
60-64	43	75	78	68	71	591	440	643	421	275	73	72	2,850
65 & Over	8	22	28	20	29	269	213	383	235	137	16	9	1,369
Total Count	3,982	4,457	4,212	2,511	1,560	12,856	6,714	7,086	3,948	1,918	432	221	49,897

Compensation													
Age	Years of Service												Average Comp.
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	
Under 25	37,537	37,484	35,245	36,266	46,289	46,980	-	-	-	-	-	-	37,254
25-29	44,552	44,896	46,432	46,948	50,828	47,573	49,791	-	-	-	-	-	45,989
30-34	47,012	48,844	50,710	53,731	57,074	56,793	57,233	78,727	-	-	-	-	53,336
35-39	49,809	51,946	54,353	54,934	58,499	61,980	68,224	61,754	67,340	-	-	-	60,114
40-44	49,912	49,328	52,160	54,797	63,893	61,221	69,909	70,407	66,539	77,447	-	-	63,166
45-49	47,754	49,607	49,879	57,311	59,880	61,499	70,801	72,544	75,344	69,013	89,956	-	65,597
50-54	48,681	48,039	54,615	62,191	65,321	62,640	68,242	71,465	80,716	76,415	77,190	80,485	68,062
55-59	47,481	50,714	56,519	57,646	63,623	61,992	67,295	71,760	79,490	78,504	83,812	77,026	69,008
60-64	51,796	46,353	61,716	59,168	69,102	63,532	67,211	66,653	76,793	84,510	102,143	89,265	69,782
65 & Over	54,064	83,956	82,831	90,164	78,226	65,248	63,471	62,270	72,517	77,804	99,965	84,864	68,411
Avg. Annual Compensation	46,202	47,788	50,829	54,159	60,003	60,443	68,172	69,879	76,208	76,893	85,424	81,520	61,604



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Los Angeles County Employees Retirement Association

**Exhibit C-4e: Age & Service Distribution of Active Members by Count and Average Compensation as of June 30, 2008
General Plan E**

Count													
Age	Years of Service												Total Count
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	
Under 25	196	129	58	32	0	1	0	0	0	0	0	0	416
25-29	305	307	268	137	100	209	0	0	0	0	0	0	1,326
30-34	236	254	227	190	190	916	131	2	0	0	0	0	2,146
35-39	183	203	185	130	108	1,041	655	331	16	0	0	0	2,852
40-44	117	161	138	118	84	837	694	1,122	545	11	0	0	3,827
45-49	126	175	153	93	55	754	540	1,025	1,080	383	19	0	4,403
50-54	97	112	114	90	52	665	470	851	998	948	403	41	4,841
55-59	67	81	86	47	25	483	373	657	742	799	691	529	4,580
60-64	32	45	47	35	23	285	248	410	452	429	391	601	2,998
65 & Over	12	11	38	9	9	173	187	236	238	204	140	204	1,461
Total Count	1,371	1,478	1,314	881	646	5,364	3,298	4,634	4,071	2,774	1,644	1,375	28,850

Compensation													
Age	Years of Service												Average Comp.
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	
Under 25	33,858	32,965	34,614	33,216	-	24,276	-	-	-	-	-	-	33,614
25-29	39,206	39,676	41,302	42,137	46,405	42,467	-	-	-	-	-	-	41,098
30-34	46,145	42,555	46,445	49,234	48,048	49,406	51,930	44,916	-	-	-	-	47,938
35-39	47,452	44,828	51,681	55,055	51,296	53,556	61,234	56,363	56,020	-	-	-	54,507
40-44	41,846	41,826	45,868	45,881	49,935	51,503	63,506	64,348	56,812	61,690	-	-	57,118
45-49	43,175	43,557	46,558	45,707	51,779	53,051	61,427	69,553	68,863	60,369	67,911	-	61,442
50-54	49,989	44,603	49,105	47,626	54,206	51,722	59,825	65,963	74,664	64,882	61,605	68,406	62,972
55-59	51,486	44,417	51,333	54,027	61,258	53,930	60,917	65,410	70,412	71,002	67,890	64,038	64,856
60-64	54,484	47,555	51,400	54,888	54,491	57,268	56,776	61,848	69,569	71,452	72,486	67,059	65,369
65 & Over	64,390	94,795	80,572	85,093	84,948	62,756	60,412	61,005	66,350	69,091	64,111	65,419	65,137
Avg. Annual Compensation	43,266	42,270	47,279	48,269	50,650	52,319	60,756	64,976	68,835	67,334	67,121	65,694	59,236



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Los Angeles County Employees Retirement Association

**Exhibit C-4f: Age & Service Distribution of Active Members by Count and Average Compensation as of June 30, 2008
Safety Plan A**

Count													
Age	Years of Service												Total Count
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	
Under 25	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	0	0	0	0	0	0	0	0	0	0	0
35-39	0	0	0	0	0	0	0	0	0	0	0	0	0
40-44	0	0	0	0	0	0	0	0	0	0	0	0	0
45-49	0	0	0	0	0	0	0	0	0	0	0	0	0
50-54	1	0	0	0	0	0	0	1	3	26	98	2	131
55-59	1	0	0	0	0	0	1	1	0	17	128	36	184
60-64	0	0	0	0	0	0	0	0	0	1	3	6	10
65 & Over	0	0	0	0	0	0	0	0	0	0	0	2	2
Total Count	2	0	0	0	0	0	1	2	3	44	229	46	327

Compensation													
Age	Years of Service												Average Comp.
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	
Under 25	-	-	-	-	-	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-	-	-	-	-	-
40-44	-	-	-	-	-	-	-	-	-	-	-	-	-
45-49	-	-	-	-	-	-	-	-	-	-	-	-	-
50-54	106,236	-	-	-	-	-	-	106,236	113,608	112,457	126,456	153,612	123,489
55-59	147,048	-	-	-	-	-	111,348	88,824	-	122,941	133,789	145,885	134,859
60-64	-	-	-	-	-	-	-	-	-	100,860	118,696	148,852	135,006
65 & Over	-	-	-	-	-	-	-	-	-	-	-	284,400	284,400
Avg. Annual Compensation	126,642	-	-	-	-	-	111,348	97,530	113,608	116,244	130,453	152,631	131,223



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.

Los Angeles County Employees Retirement Association

Exhibit C-4g: Age & Service Distribution of Active Members by Count and Average Compensation as of June 30, 2008 Safety Plan B

Count													
Age	Years of Service												Total Count
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	
Under 25	226	178	57	20	5	0	0	0	0	0	0	0	486
25-29	336	432	217	90	33	206	1	0	0	0	0	0	1,315
30-34	173	234	147	83	45	795	201	3	0	0	0	0	1,681
35-39	98	116	76	50	50	754	736	364	5	0	0	0	2,249
40-44	39	41	34	40	32	355	452	1,245	319	2	0	0	2,559
45-49	11	15	7	12	9	135	183	621	850	401	14	0	2,258
50-54	6	6	3	13	2	33	50	196	405	716	93	2	1,525
55-59	1	2	0	4	2	11	14	19	76	180	64	2	375
60-64	1	3	0	1	0	9	11	2	2	12	3	0	44
65 & Over	0	0	0	0	0	3	3	3	0	0	0	0	9
Total Count	891	1,027	541	313	178	2,301	1,651	2,453	1,657	1,311	174	4	12,501

Compensation													
Age	Years of Service												Average Comp.
	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25-29	30-34	35&Over	
Under 25	59,463	64,183	65,335	67,682	71,911	-	-	-	-	-	-	-	62,347
25-29	60,692	66,833	70,724	70,810	71,076	75,169	83,496	-	-	-	-	-	67,603
30-34	61,982	67,671	72,612	76,496	77,990	81,755	86,401	94,044	-	-	-	-	77,177
35-39	62,007	68,857	72,902	81,650	84,029	86,109	91,331	96,746	103,171	-	-	-	87,046
40-44	64,719	67,862	72,698	83,050	83,805	88,317	93,327	99,959	106,167	90,222	-	-	96,059
45-49	67,222	71,756	73,759	94,172	80,133	88,162	96,166	99,877	109,174	115,135	128,598	-	104,727
50-54	91,178	84,542	73,060	104,292	86,856	87,619	96,154	100,630	109,555	115,371	124,877	118,938	110,854
55-59	108,420	109,884	-	96,399	99,864	92,676	94,034	101,437	104,667	114,124	129,232	143,796	112,619
60-64	109,836	103,100	-	92,484	-	117,843	110,873	188,814	110,766	113,975	146,912	-	118,168
65 & Over	-	-	-	-	-	92,792	157,560	90,884	-	-	-	-	113,745
Avg. Annual Compensation	61,346	67,199	71,151	78,096	79,733	84,273	92,228	99,581	108,465	115,077	127,158	131,367	91,552



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Los Angeles County Employees Retirement Association

**Exhibit C-5: Distribution of Retired Members by Age and Retirement Year as of June 30, 2008
All Plans**

Age	Retirement Year										Total Count	Average Monthly Benefit
	Pre-1964	1965-69	1970-74	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-07		
Under 35	0	0	0	0	2	0	3	13	38	64	120	\$ 1,425
35-39	0	0	0	0	0	0	1	14	72	40	127	2,597
40-44	0	0	0	0	0	1	44	108	143	87	383	2,732
45-49	0	0	0	0	2	22	88	156	186	105	559	2,687
50-54	0	0	0	5	33	67	127	169	232	518	1,151	2,380
55-59	0	0	4	39	95	119	158	276	925	2,033	3,649	3,331
60-64	0	2	17	156	260	218	368	1,209	3,339	2,780	8,349	3,948
65-69	1	9	46	190	245	314	1,158	2,526	3,161	2,104	9,754	3,669
70-74	2	27	87	197	356	938	2,127	2,115	1,948	895	8,692	3,188
75-79	20	55	102	284	988	1,420	2,078	1,316	786	468	7,517	2,896
80-84	45	63	148	810	1,314	1,351	1,149	548	439	352	6,219	2,587
85-89	22	46	262	833	987	643	350	279	290	174	3,886	2,285
90-94	22	54	238	497	316	66	97	88	107	57	1,542	2,014
95-99	11	47	96	110	10	1	16	25	20	8	344	1,705
100 & Over	11	7	21	3	0	0	0	1	12	3	58	1,370
Total Count	134	310	1,021	3,124	4,608	5,160	7,764	8,843	11,698	9,688	52,350	
Avg Monthly Benefit	\$ 1,278	\$ 1,498	\$ 1,814	\$ 2,260	\$ 2,366	\$ 2,784	\$ 3,353	\$ 3,193	\$ 3,697	\$ 3,363		\$ 3,150



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Los Angeles County Employees Retirement Association

**Exhibit C-5a: Distribution of Retired Members by Age and Retirement Year as of June 30, 2008
General Plan A**

Age	Retirement Year										Total Count	Average Monthly Benefit
	Pre-1964	1965-69	1970-74	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-07		
Under 35	0	0	0	0	0	0	1	4	9	14	28	\$ 1,141
35-39	0	0	0	0	0	0	0	3	1	3	7	2,174
40-44	0	0	0	0	0	1	1	0	3	4	9	1,789
45-49	0	0	0	0	0	1	2	5	4	6	18	1,962
50-54	0	0	0	2	6	7	4	17	35	65	136	2,223
55-59	0	0	2	24	37	33	36	89	334	552	1,107	3,314
60-64	0	1	8	71	93	77	159	636	1,367	1,244	3,656	4,103
65-69	1	2	27	101	111	153	806	1,267	1,807	600	4,875	3,999
70-74	0	14	52	123	211	721	1,406	1,362	786	259	4,934	3,417
75-79	8	25	64	195	746	1,004	1,671	699	322	226	4,960	2,990
80-84	19	34	88	609	1,001	1,190	873	314	269	226	4,623	2,536
85-89	10	29	202	706	947	579	259	209	228	145	3,314	2,217
90-94	14	32	212	490	312	58	77	74	91	49	1,409	1,979
95-99	9	34	90	110	10	1	15	24	17	7	317	1,589
100 & Over	8	7	21	3	0	0	0	1	7	2	49	1,482
Total Count	69	178	766	2,434	3,474	3,825	5,310	4,704	5,280	3,402	29,442	
Avg Monthly Benefit	\$ 1,069	\$ 1,105	\$ 1,449	\$ 1,941	\$ 2,002	\$ 2,534	\$ 3,342	\$ 3,269	\$ 4,233	\$ 4,253		\$ 3,148



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.

Los Angeles County Employees Retirement Association

**Exhibit C-5b: Distribution of Retired Members by Age and Retirement Year as of June 30, 2008
General Plan B**

Age	Retirement Year										Total Count	Average Monthly Benefit
	Pre-1964	1965-69	1970-74	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-07		
Under 35	0	0	0	0	0	0	0	0	0	0	0	\$ -
35-39	0	0	0	0	0	0	0	0	0	0	0	-
40-44	0	0	0	0	0	0	0	0	0	0	0	-
45-49	0	0	0	0	0	0	0	0	0	0	0	-
50-54	0	0	0	0	0	0	1	1	2	11	15	1,422
55-59	0	0	0	0	1	4	5	2	14	27	53	2,456
60-64	0	0	0	0	3	4	4	18	32	36	97	2,575
65-69	0	0	0	0	1	3	4	15	53	25	101	3,043
70-74	0	0	0	0	2	5	10	25	35	17	94	2,571
75-79	0	0	0	0	2	10	24	36	14	5	91	1,980
80-84	0	0	0	0	2	16	31	11	6	3	69	1,447
85-89	0	0	0	0	4	12	5	3	2	0	26	1,282
90-94	0	0	0	0	1	1	0	0	0	0	2	551
95-99	0	0	0	0	0	0	0	0	0	0	0	-
100 & Over	0	0	0	0	0	0	0	0	0	0	0	-
Total Count	0	0	0	0	16	55	84	111	158	124	548	
Avg Monthly Benefit	\$ -	\$ -	\$ -	\$ -	\$ 982	\$ 938	\$ 1,453	\$ 1,996	\$ 2,799	\$ 3,320		\$ 2,308



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.

Los Angeles County Employees Retirement Association

**Exhibit C-5c: Distribution of Retired Members by Age and Retirement Year as of June 30, 2008
General Plan C**

Age	Retirement Year										Total Count	Average Monthly Benefit
	Pre-1964	1965-69	1970-74	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-07		
Under 35	0	0	0	0	0	0	0	0	0	0	0	\$ -
35-39	0	0	0	0	0	0	0	0	0	0	0	-
40-44	0	0	0	0	0	0	0	0	0	0	0	-
45-49	0	0	0	0	0	0	0	0	1	0	1	3,585
50-54	0	0	0	0	1	4	1	1	0	6	13	963
55-59	0	0	0	1	3	2	2	3	16	15	42	2,008
60-64	0	0	0	0	2	2	4	8	15	19	50	1,844
65-69	0	0	0	0	0	4	8	10	24	21	67	2,075
70-74	0	0	0	0	0	5	12	14	33	10	74	1,989
75-79	0	0	0	0	2	8	15	21	8	6	60	1,801
80-84	0	0	0	0	3	9	18	3	3	3	39	962
85-89	0	0	0	0	2	5	6	1	2	2	18	1,479
90-94	0	0	0	0	0	2	1	0	0	0	3	432
95-99	0	0	0	0	0	0	0	0	0	0	0	-
100 & Over	0	0	0	0	0	0	0	0	0	0	0	-
Total Count	0	0	0	1	13	41	67	61	102	82	367	
Avg Monthly Benefit	\$ -	\$ -	\$ -	\$ 1,412	\$ 873	\$ 830	\$ 1,171	\$ 1,642	\$ 2,278	\$ 2,374		\$ 1,777



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Los Angeles County Employees Retirement Association

**Exhibit C-5d: Distribution of Retired Members by Age and Retirement Year as of June 30, 2008
General Plan D**

Age	Retirement Year										Total Count	Average Monthly Benefit
	Pre-1964	1965-69	1970-74	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-07		
Under 35	0	0	0	0	0	0	1	2	10	13	26	\$ 984
35-39	0	0	0	0	0	0	1	3	19	8	31	1,640
40-44	0	0	0	0	0	0	7	11	32	22	72	1,762
45-49	0	0	0	0	0	1	9	37	53	34	134	1,832
50-54	0	0	0	0	3	8	29	50	84	294	468	1,533
55-59	0	0	0	1	3	18	31	65	258	376	752	1,649
60-64	0	0	0	0	4	13	37	185	330	519	1,088	2,090
65-69	0	0	0	0	4	17	68	186	389	569	1,233	2,114
70-74	0	0	0	0	3	22	63	193	411	263	955	1,831
75-79	0	0	0	0	5	20	76	225	190	93	609	1,636
80-84	0	0	0	0	7	17	73	90	39	34	260	1,346
85-89	0	0	0	0	3	11	32	14	11	4	75	1,063
90-94	0	0	0	0	0	2	7	1	2	1	13	1,170
95-99	0	0	0	0	0	0	0	0	1	0	1	550
100 & Over	0	0	0	0	0	0	0	0	2	1	3	963
Total Count	0	0	0	1	32	129	434	1,062	1,831	2,231	5,720	
Avg Monthly Benefit	\$ -	\$ -	\$ -	\$ 2,199	\$ 1,110	\$ 1,200	\$ 1,290	\$ 1,527	\$ 1,819	\$ 2,141		\$ 1,832



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Los Angeles County Employees Retirement Association

**Exhibit C-5e: Distribution of Retired Members by Age and Retirement Year as of June 30, 2008
General Plan E**

Age	Retirement Year										Total Count	Average Monthly Benefit
	Pre-1964	1965-69	1970-74	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-07		
Under 35	0	0	0	0	0	0	0	2	1	10	13	\$ 307
35-39	0	0	0	0	0	0	0	0	1	1	2	673
40-44	0	0	0	0	0	0	0	0	2	5	7	682
45-49	0	0	0	0	0	0	0	0	1	2	3	1,615
50-54	0	0	0	0	0	0	0	0	5	8	13	741
55-59	0	0	0	0	0	0	0	5	77	496	578	638
60-64	0	0	0	0	0	0	2	49	515	624	1,190	1,001
65-69	0	0	0	0	0	0	15	316	551	851	1,733	1,646
70-74	0	0	0	0	0	10	127	319	627	303	1,386	1,504
75-79	0	0	0	0	2	41	143	304	185	88	763	1,144
80-84	0	0	0	0	5	43	136	98	60	43	385	966
85-89	0	0	0	0	3	34	37	22	21	7	124	725
90-94	0	0	0	0	3	3	7	5	1	2	21	658
95-99	0	0	0	0	0	0	0	0	0	0	0	-
100 & Over	0	0	0	0	0	0	0	0	3	0	3	425
Total Count	0	0	0	0	13	131	467	1,120	2,050	2,440	6,221	
Avg Monthly Benefit	\$ -	\$ -	\$ -	\$ -	\$ 362	\$ 368	\$ 700	\$ 881	\$ 1,308	\$ 1,567		\$ 1,265



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Los Angeles County Employees Retirement Association

**Exhibit C-5f: Distribution of Retired Members by Age and Retirement Year as of June 30, 2008
Safety Plan A**

Age	Retirement Year										Total Count	Average Monthly Benefit
	Pre-1964	1965-69	1970-74	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-07		
Under 35	0	0	0	0	2	0	0	2	3	0	7	\$ 1,261
35-39	0	0	0	0	0	0	0	0	0	0	0	-
40-44	0	0	0	0	0	0	1	1	3	0	5	4,594
45-49	0	0	0	0	0	0	2	0	4	0	6	3,737
50-54	0	0	0	3	9	11	8	13	10	17	71	4,141
55-59	0	0	2	13	46	40	49	81	168	403	802	6,467
60-64	0	1	9	85	151	115	144	288	1,015	255	2,063	6,435
65-69	0	7	19	89	128	136	253	729	320	35	1,716	5,999
70-74	2	13	35	74	140	173	505	200	56	43	1,241	5,322
75-79	12	30	38	89	230	336	145	31	65	49	1,025	4,653
80-84	26	29	60	201	295	76	18	32	62	43	842	4,163
85-89	12	17	60	127	28	2	11	30	26	16	329	3,953
90-94	8	22	26	7	0	0	5	8	13	5	94	3,034
95-99	2	13	6	0	0	0	1	1	2	1	26	3,160
100 & Over	3	0	0	0	0	0	0	0	0	0	3	906
Total Count	65	132	255	688	1,029	889	1,142	1,416	1,747	867	8,230	
Avg Monthly Benefit	\$ 1,499	\$ 2,028	\$ 2,911	\$ 3,389	\$ 3,716	\$ 4,725	\$ 5,678	\$ 6,229	\$ 7,133	\$ 7,406		\$ 5,547



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.

Los Angeles County Employees Retirement Association

**Exhibit C-5g: Distribution of Retired Members by Age and Retirement Year as of June 30, 2008
Safety Plan B**

Age	Retirement Year										Total Count	Average Monthly Benefit
	Pre-1964	1965-69	1970-74	1975-79	1980-84	1985-89	1990-94	1995-99	2000-04	2005-07		
Under 35	0	0	0	0	0	0	1	3	15	27	46	\$2,189
35-39	0	0	0	0	0	0	0	8	51	28	87	3,017
40-44	0	0	0	0	0	0	35	96	103	56	290	3,019
45-49	0	0	0	0	2	20	75	114	123	63	397	2,999
50-54	0	0	0	0	14	37	84	87	96	117	435	3,176
55-59	0	0	0	0	5	22	35	31	58	164	315	4,685
60-64	0	0	0	0	7	7	18	25	65	83	205	4,303
65-69	0	0	0	0	1	1	4	3	17	3	29	3,016
70-74	0	0	0	0	0	2	4	2	0	0	8	2,614
75-79	0	0	0	0	1	1	4	0	2	1	9	1,187
80-84	0	0	0	0	1	0	0	0	0	0	1	1,025
85-89	0	0	0	0	0	0	0	0	0	0	0	-
90-94	0	0	0	0	0	0	0	0	0	0	0	-
95-99	0	0	0	0	0	0	0	0	0	0	0	-
100 & Over	0	0	0	0	0	0	0	0	0	0	0	-
Total Count	0	0	0	0	31	90	260	369	530	542	1,822	
Avg Monthly Benefit	\$ -	\$ -	\$ -	\$ -	\$ 1,835	\$ 2,041	\$ 2,738	\$ 3,000	\$ 3,296	\$ 4,580		\$ 3,452



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Los Angeles County Employees Retirement Association

Appendix D: Member Contribution Rates



This section illustrates the member normal contribution rates and the normal plus cost-of-living contribution rates by entry age.

Los Angeles County Employees Retirement Association

Exhibit D-1: Normal Member Contribution Rates

Entry Age	General				Safety	
	Plan A	Plan B	Plan C	Plan D	Plan A	Plan B
16	2.41%	4.82%	4.08%	4.08%	3.59%	7.17%
17	2.46%	4.92%	4.16%	4.16%	3.59%	7.17%
18	2.51%	5.02%	4.25%	4.25%	3.59%	7.17%
19	2.56%	5.12%	4.34%	4.34%	3.65%	7.31%
20	2.62%	5.23%	4.43%	4.43%	3.72%	7.44%
21	2.67%	5.34%	4.52%	4.52%	3.79%	7.58%
22	2.72%	5.45%	4.62%	4.62%	3.86%	7.72%
23	2.78%	5.56%	4.71%	4.71%	3.93%	7.87%
24	2.84%	5.68%	4.81%	4.81%	4.01%	8.01%
25	2.90%	5.79%	4.91%	4.91%	4.08%	8.16%
26	2.96%	5.91%	5.01%	5.01%	4.16%	8.32%
27	3.02%	6.03%	5.11%	5.11%	4.24%	8.47%
28	3.08%	6.16%	5.22%	5.22%	4.32%	8.63%
29	3.14%	6.29%	5.33%	5.33%	4.40%	8.80%
30	3.21%	6.42%	5.44%	5.44%	4.48%	8.97%
31	3.28%	6.55%	5.55%	5.55%	4.57%	9.14%
32	3.34%	6.69%	5.66%	5.66%	4.66%	9.32%
33	3.41%	6.83%	5.78%	5.78%	4.75%	9.51%
34	3.49%	6.97%	5.90%	5.90%	4.85%	9.70%
35	3.56%	7.12%	6.02%	6.02%	4.95%	9.89%
36	3.64%	7.28%	6.15%	6.15%	5.04%	10.09%
37	3.72%	7.43%	6.28%	6.28%	5.14%	10.28%
38	3.79%	7.59%	6.41%	6.41%	5.23%	10.46%
39	3.87%	7.75%	6.55%	6.55%	5.32%	10.64%
40	3.95%	7.90%	6.69%	6.69%	5.41%	10.82%
41	4.03%	8.06%	6.83%	6.83%	5.50%	10.99%
42	4.10%	8.21%	6.97%	6.97%	5.58%	11.15%
43	4.18%	8.36%	7.12%	7.12%	5.65%	11.31%
44	4.25%	8.50%	7.27%	7.27%	5.72%	11.44%
45	4.32%	8.64%	7.42%	7.42%	5.77%	11.54%
46	4.39%	8.78%	7.56%	7.56%	5.80%	11.59%
47	4.45%	8.91%	7.70%	7.70%	5.80%	11.59%
48	4.52%	9.03%	7.84%	7.84%	5.80%	11.59%
49	4.57%	9.14%	7.98%	7.98%	5.80%	11.59%
50	4.61%	9.21%	8.11%	8.11%	5.80%	11.59%
51	4.63%	9.26%	8.24%	8.24%	5.80%	11.59%
52	4.63%	9.26%	8.36%	8.36%	5.80%	11.59%
53	4.63%	9.26%	8.47%	8.47%	5.80%	11.59%
54	4.63%	9.26%	8.57%	8.57%	5.80%	11.59%
55	4.63%	9.26%	8.65%	8.65%	5.80%	11.59%
56	4.63%	9.26%	8.69%	8.69%	5.80%	11.59%
57	4.63%	9.26%	8.69%	8.69%	5.80%	11.59%
58	4.63%	9.26%	8.69%	8.69%	5.80%	11.59%
59	4.63%	9.26%	8.69%	8.69%	5.80%	11.59%
60	4.63%	9.26%	8.69%	8.69%	5.80%	11.59%

For general members entering after age 60, the rate equals the rate at age 60. Likewise, for safety members entering after age 50, the rate equals the rate at age 50.



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D-2

Los Angeles County Employees Retirement Association

Exhibit D-2: Normal Plus Cost-of-Living Member Contribution Rates

Entry Age	General				Safety	
	Plan A	Plan B	Plan C	Plan D	Plan A	Plan B
16	4.33%	5.89%	5.06%	4.98%	7.23%	9.42%
17	4.42%	6.02%	5.16%	5.07%	7.23%	9.42%
18	4.51%	6.14%	5.27%	5.18%	7.23%	9.42%
19	4.60%	6.26%	5.38%	5.29%	7.35%	9.61%
20	4.70%	6.40%	5.49%	5.40%	7.49%	9.78%
21	4.79%	6.53%	5.60%	5.51%	7.63%	9.96%
22	4.88%	6.66%	5.73%	5.64%	7.77%	10.14%
23	4.99%	6.80%	5.84%	5.74%	7.91%	10.34%
24	5.10%	6.95%	5.96%	5.87%	8.07%	10.53%
25	5.21%	7.08%	6.09%	5.99%	8.21%	10.72%
26	5.32%	7.23%	6.21%	6.11%	8.37%	10.93%
27	5.42%	7.37%	6.33%	6.23%	8.53%	11.13%
28	5.53%	7.53%	6.47%	6.37%	8.69%	11.34%
29	5.64%	7.69%	6.61%	6.50%	8.86%	11.56%
30	5.76%	7.85%	6.74%	6.64%	9.02%	11.79%
31	5.89%	8.01%	6.88%	6.77%	9.20%	12.01%
32	6.00%	8.18%	7.02%	6.90%	9.38%	12.25%
33	6.12%	8.35%	7.17%	7.05%	9.56%	12.50%
34	6.27%	8.52%	7.31%	7.20%	9.76%	12.75%
35	6.39%	8.71%	7.46%	7.34%	9.96%	13.00%
36	6.54%	8.90%	7.62%	7.50%	10.14%	13.26%
37	6.68%	9.09%	7.79%	7.66%	10.35%	13.51%
38	6.81%	9.28%	7.95%	7.82%	10.53%	13.74%
39	6.95%	9.48%	8.12%	7.99%	10.71%	13.98%
40	7.09%	9.66%	8.29%	8.16%	10.89%	14.22%
41	7.24%	9.86%	8.47%	8.33%	11.07%	14.44%
42	7.36%	10.04%	8.64%	8.50%	11.23%	14.65%
43	7.51%	10.22%	8.83%	8.68%	11.37%	14.86%
44	7.63%	10.39%	9.01%	8.87%	11.51%	15.03%
45	7.76%	10.57%	9.20%	9.05%	11.61%	15.16%
46	7.88%	10.74%	9.37%	9.22%	11.67%	15.23%
47	7.99%	10.90%	9.55%	9.39%	11.67%	15.23%
48	8.12%	11.04%	9.72%	9.56%	11.67%	15.23%
49	8.21%	11.18%	9.89%	9.73%	11.67%	15.23%
50	8.28%	11.26%	10.05%	9.89%	11.67%	15.23%
51	8.31%	11.32%	10.22%	10.05%	11.67%	15.23%
52	8.31%	11.32%	10.36%	10.20%	11.67%	15.23%
53	8.31%	11.32%	10.50%	10.33%	11.67%	15.23%
54	8.31%	11.32%	10.62%	10.45%	11.67%	15.23%
55	8.31%	11.32%	10.72%	10.55%	11.67%	15.23%
56	8.31%	11.32%	10.77%	10.60%	11.67%	15.23%
57	8.31%	11.32%	10.77%	10.60%	11.67%	15.23%
58	8.31%	11.32%	10.77%	10.60%	11.67%	15.23%
59	8.31%	11.32%	10.77%	10.60%	11.67%	15.23%
60	8.31%	11.32%	10.77%	10.60%	11.67%	15.23%

For general members entering after age 60, the rate equals the rate at age 60. Likewise, for safety members entering after age 50, the rate equals the rate at age 50.



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D-3

Los Angeles County Employees Retirement Association

Appendix E: Historical Information



This section presents historical statistical information on LACERA's membership and the calculated contribution rates.

Los Angeles County Employees Retirement Association

Exhibit E-1: Active Membership Data

General Members						Safety Members					Total Members				
Valuation Date (June 30)	Number	Annual Salary (in millions)	Average Age	Average Credited Service	Average Monthly Salary	Number	Annual Salary (in millions)	Average Age	Average Credited Service	Average Monthly Salary	Number	Annual Salary (in millions)	Average Age	Average Credited Service	Average Monthly Salary
1998	65,782	\$ 2,837	44.7	12.9	\$ 3,594	10,947	\$ 725	39.9	13.8	\$ 5,519	76,729	\$ 3,562	44.0	13.0	\$ 3,870
1999	68,652	\$ 3,105	44.6	12.7	\$ 3,769	11,024	\$ 753	40.0	13.7	\$ 5,696	79,676	\$ 3,858	43.9	12.8	\$ 4,035
2000	71,940	\$ 3,353	44.4	12.5	\$ 3,884	11,264	\$ 790	39.8	13.8	\$ 5,849	83,204	\$ 4,143	43.8	12.6	\$ 4,150
2001	75,048	\$ 3,608	44.5	12.3	\$ 4,006	12,021	\$ 860	39.6	13.0	\$ 5,967	87,069	\$ 4,468	43.9	12.4	\$ 4,277
2002	77,062	\$ 3,833	44.7	12.3	\$ 4,145	12,190	\$ 894	39.6	13.8	\$ 6,115	89,252	\$ 4,727	44.0	12.5	\$ 4,414
2003	75,995	\$ 3,954	45.2	12.7	\$ 4,336	11,765	\$ 899	40.1	13.7	\$ 6,370	87,760	\$ 4,853	44.5	12.9	\$ 4,609
2004	74,826	\$ 3,967	45.6	13.1	\$ 4,418	11,409	\$ 885	40.6	14.7	\$ 6,467	86,235	\$ 4,852	44.9	13.3	\$ 4,689
2005	75,167	\$ 4,046	45.8	13.2	\$ 4,486	11,217	\$ 905	41.0	14.9	\$ 6,722	86,384	\$ 4,951	45.2	13.4	\$ 4,777
2006	77,167	\$ 4,267	45.7	13.0	\$ 4,608	11,464	\$ 969	41.2	15.0	\$ 7,047	88,631	\$ 5,236	45.1	13.3	\$ 4,924
2007	79,829	\$ 4,673	45.7	12.8	\$ 4,878	12,267	\$ 1,104	40.8	14.4	\$ 7,499	92,096	\$ 5,777	45.1	13.0	\$ 5,227
2008	81,664	\$ 5,017	45.8	12.8	\$ 5,119	12,828	\$ 1,187	40.5	13.7	\$ 7,714	94,492	\$ 6,204	45.1	12.9	\$ 5,471



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E-2

Los Angeles County Employees Retirement Association

Exhibit E-2: Retired Membership Data

General Members					Safety Members				Total Members			
Valuation Date (June 30)	Number	Annual Allowance (in millions)	Average Age	Average Monthly Benefit	Number	Annual Allowance (in millions)	Average Age	Average Monthly Benefit	Number	Annual Allowance (in millions)	Average Age	Average Monthly Benefit
1998	35,462	\$ 692	71.1	\$ 1,626	7,425	\$ 267	62.5	\$ 3,001	42,887	\$ 959	69.6	\$ 1,864
1999	35,837	\$ 725	71.4	\$ 1,686	7,674	\$ 291	63.1	\$ 3,166	43,511	\$ 1,016	70.0	\$ 1,947
2000	36,596	\$ 780	71.4	\$ 1,778	8,032	\$ 324	63.1	\$ 3,358	44,628	\$ 1,104	69.9	\$ 2,062
2001	37,077	\$ 890	71.6	\$ 2,001	8,319	\$ 382	63.4	\$ 3,828	45,396	\$ 1,272	70.1	\$ 2,336
2002	37,618	\$ 914	71.8	\$ 2,025	8,624	\$ 403	63.7	\$ 3,892	46,242	\$ 1,317	70.3	\$ 2,374
2003	38,283	\$ 984	71.9	\$ 2,142	8,949	\$ 443	63.9	\$ 4,128	47,232	\$ 1,427	70.4	\$ 2,518
2004	39,097	\$ 1,056	72.0	\$ 2,250	9,235	\$ 478	64.2	\$ 4,318	48,332	\$ 1,534	70.5	\$ 2,645
2005	40,251	\$ 1,138	72.1	\$ 2,355	9,518	\$ 514	64.6	\$ 4,504	49,769	\$ 1,652	70.7	\$ 2,766
2006	41,309	\$ 1,224	72.2	\$ 2,469	9,683	\$ 549	65.0	\$ 4,728	50,992	\$ 1,773	70.8	\$ 2,898
2007	41,584	\$ 1,280	72.2	\$ 2,565	9,808	\$ 578	65.4	\$ 4,914	51,392	\$ 1,858	70.9	\$ 3,013
2008	42,298	\$ 1,356	72.4	\$ 2,671	10,052	\$ 623	65.8	\$ 5,167	52,350	\$ 1,979	71.1	\$ 3,150



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Los Angeles County Employees Retirement Association

Exhibit E-3: Contribution Rates

General Members						Safety Members					Total All Members				
Valuation Date (June 30)	Calculated Normal Cost	Member Contributions	Net County Normal Cost	UAAL Rate	Total Annual Contribution	Calculated Normal Cost	Member Contributions	Net County Normal Cost	UAAL Rate	Total Annual Contribution	Calculated Normal Cost	Member Contributions	Net County Normal Cost	UAAL Rate	Total Annual Contribution
1998	10.27%	3.06%	7.21%	0.00%	7.21%	25.00%	8.70%	16.30%	0.00%	16.30%	13.27%	4.21%	9.06%	0.00%	9.06%
1999	10.98%	3.20%	7.78%	0.00%	7.78%	25.41%	9.12%	16.29%	0.00%	16.29%	13.81%	4.36%	9.45%	0.00%	9.45%
2000	10.91%	3.33%	7.58%	0.00%	7.58%	25.22%	9.44%	15.78%	0.00%	15.78%	13.66%	4.51%	9.15%	0.00%	9.15%
2001	11.27%	3.45%	7.82%	0.00%	7.82%	25.47%	9.27%	16.20%	0.00%	16.20%	14.01%	4.57%	9.44%	0.00%	9.44%
2002	12.04%	3.53%	8.51%	0.21%	8.72%	25.92%	9.37%	16.55%	0.21%	16.76%	14.66%	4.63%	10.03%	0.21%	10.24%
2003	12.25%	3.72%	8.53%	4.66%	13.19%	25.89%	9.55%	16.34%	4.66%	21.00%	14.80%	4.81%	9.99%	4.66%	14.65%
2004	12.20%	3.82%	8.38%	6.41%	14.79%	24.61%	9.61%	15.00%	6.41%	21.41%	14.48%	4.88%	9.60%	6.41%	16.01%
2005	12.22%	3.91%	8.31%	5.33%	13.64%	24.69%	9.68%	15.01%	5.33%	20.34%	14.50%	4.97%	9.53%	5.33%	14.86%
2006	12.22%	4.07%	8.15%	3.49%	11.64%	24.70%	9.70%	15.00%	3.49%	18.49%	14.54%	5.12%	9.42%	3.49%	12.91%
2007	13.15%	4.38%	8.77%	2.24%	11.01%	26.04%	10.18%	15.86%	2.24%	18.10%	15.67%	5.51%	10.16%	2.24%	12.40%
2008	13.18%	4.47%	8.71%	1.99%	10.70%	26.01%	10.22%	15.79%	1.99%	17.78%	15.68%	5.59%	10.09%	1.99%	12.08%



This work product was prepared solely for LACERA for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work.

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Los Angeles County Employees Retirement Association

Appendix F: Glossary



The following definitions include excerpts from a list adopted by the major actuarial organizations in the United States. In some cases, the definitions have been modified for specific applicability to LACERA and include terms used exclusively by LACERA. Defined terms are capitalized throughout this Appendix.

Accrued Benefit	The amount of an individual's benefit (whether or not vested) as of a specific date, determined in accordance with the terms of a pension plan and based on compensation and service to that date.
Actuarial Accrued Liability	That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of pension plan benefits and expenses which is not provided for by future Normal Costs.
Actuarial Assumptions	Assumptions as to the occurrence of future events affecting pension costs, such as: mortality, withdrawal, disablement, and retirement; changes in compensation; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets; and other relevant items.
Actuarial Gain (Loss)	A measure of the difference between actual experience and that expected based on a set of Actuarial Assumptions during the period between two Actuarial Valuation dates, as determined in accordance with a particular Actuarial Cost Method.
Actuarial Present Value	The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions.
Actuarial Valuation	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a pension plan.
Actuarial Value of Assets	The value of cash, investments and other property belonging to a pension plan, as used by the actuary for the purpose of an Actuarial Valuation.
Actuarially Equivalent	Of equal Actuarial Present Value, determined as of a given date with each value based on the same set of Actuarial Assumptions.
Amortization Payment	That portion of the pension plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.

Contingency Reserve	Reserves accumulated for future earning deficiencies, investment losses, and other contingencies. Additions include investment income and other revenues; deductions include investment expense, administrative expense, interest allocated to other reserves, funding the STAR Reserve, and distributions to the Contribution Credit Reserve. The Contingency Reserve is used to satisfy the California Government Code requirement for (31592 and 31592.2) LACERA to reserve 1% of the assets against earning deficiencies, investment losses, and other contingencies.
County Contribution Credit Reserve	The accumulated balance of the County's proportionate share of excess earnings as stipulated in Retirement System Funding Agreement between LACERA and the County. Additions include distributions from excess earning during the fiscal years ending 1994 through 1998 and related earnings. Deductions include payments, as the County authorizes, for future employer contributions due LACERA and for funding a portion of the Retiree Healthcare Program under the provisions of Internal Revenue Code 401(h).
Employer Reserve	The accumulation of employer contributions for future retirement benefit payments. Additions include contributions from employers and related earnings. Deductions include annuity payments to retired members and survivors, lump sum death benefit payments to member survivors, and supplemental disability payments.
Entry Age Actuarial Cost Method	A method under which the Actuarial Present Value of the Projected Benefits of each individual included in an Actuarial Valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit ages. The portion of this Actuarial Present Value allocated to a valuation year is called the Normal Cost. The portion of this Actuarial Present Value not provided for at a valuation date by the Actuarial Present Value of future Normal Costs is called the Actuarial Accrued Liability.
Funded Ratio	A measurement of the funded status of the system. The Funded Ratio is calculated by dividing the Valuation Assets by the Actuarial Accrued Liability. For example, a Funded Ratio of 90% indicates assets are 10% less than liabilities.
Member Reserve	The accumulation of member contributions. Additions include member contributions and related earnings. Deductions include annuity payments to retirees and refunds to members.
Non-Valuation Reserves	Reserves excluded from the calculation of contribution rates, including the Contingency Reserve, the STAR reserve, the County Contribution Credit Reserve, and any other reserves specifically excluded by the Board of Investments.

Normal Cost	That portion of the Actuarial Present Value of pension plan benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method.
Open Amortization Period	As discussed in the Actuarial Cost Method section of Appendix C, LACERA uses an open (often referred to as “rolling”) 30-year amortization period. That is, the amortization begins again or is recalculated at each valuation date. This is as opposed to a closed (or “fixed”) amortization period which is a specific number of years that is counted from one date and declines to zero with the passage of time.
Plan Year	A twelve-month period beginning July 1 and ending June 30.
Projected Benefits	Those pension plan benefit amounts which are expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age and past and anticipated future compensation and service credits.
STAR Reserve	Reserves accumulated for the payment of cost-of-living benefits as defined in California Government Code Section 31874.3.
Supplemental Targeted Adjustment for Retirees (STAR) Benefits	Supplemental cost-of-living payments to retired members to restore purchasing power at a specified percentage level, as described in California Government Code Section 31874.3.
Surplus Funding	The excess, if any, of the Actuarial Value of Assets over the Actuarial Accrued Liability. Standard actuarial terminology defines this as the “Funding Excess”. LACERA uses the term “Surplus Funding”.
Unfunded Actuarial Accrued Liability	The excess, if any, of the Actuarial Accrued Liability over the Actuarial Value of Assets.
Valuation Date	The date upon which the Normal Cost, Actuarial Accrued Liability, and Actuarial Value of Assets are determined. Generally, the Valuation Date will coincide with the ending of a Plan Year.
Valuation Reserves	All reserves excluding the Non-Valuation Reserves.